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Current History

OCTOBER, 1986

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In this issue, the new Soviet leadership and its effects on foreign and domestic policy are discussed. Our first author evaluates the status of American-Soviet relations and analyzes the prospects for an arms control treaty. As he sees it, "If there is a breakthrough on conventional arms control in Europe . . . a successful summit seems easily achievable. . . . Any movement toward real Soviet-American cooperation, however, will almost surely be postponed until the 1990's at the earliest."

The Future of Soviet-American Relations

BY JERRY F. HOUGH

Professor of Political Science, Duke University

DURING 1985 and most of 1986, most Americans believed that Soviet General Secretary Mikhail Gorbachev wanted—or needed—a reduction in military spending and that, consequently, he was seeking an improvement in Soviet-American relations. They also believed that President Ronald Reagan, perhaps under pressure from his wife Nancy, wanted to prove that his military program would bring peace and that therefore he was willing to take steps to make an agreement possible.

For the optimists, evidence of movement toward an agreement was seen in the fact that both leaders expressed a desire for better relations. A summit meeting was held in Geneva in November, 1985, and a second meeting was under discussion. Longtime Ambassador to the United States Anatoly Dobrynin was made Central Committee secretary. And both sides continued to endorse a stream of arms control proposals. The admittedly unpleasant language used by both sides and unpleasant actions taken by the United States were seen as posturing for position before the second summit meeting or as gestures to American conservatives. The large gap between the positions of the two countries on arms control would, the optimists thought, be resolved by some grand compromise.

For the pessimists, the offensive language and the enormous differences in the Soviet and American official arms control positions were the reality. Gorbachev's strategic nuclear arms control proposals were all dependent on a curtailment of the President's Strategic Defense Initiative (SDI); his European nuclear arms proposals were dependent on Britain and France's agreement not to increase the number of their nuclear weapons; and his willingness to hold a second summit

was conditional on progress in nuclear arms control. The pessimists took Gorbachev at his word; they believed, further, that President Reagan would never weaken his SDI proposal and that France would not abandon its plans to expand its store of missiles. From this perspective, the reduction in the Soviet mission to the United Nations proposed by the President and his statement that the second strategic arms limitation treaty (SALT 2) was not binding were likely to turn Soviet-American relations very cold just when the optimists expected a summit meeting.

The disagreement between the optimists and the pessimists was difficult to resolve because the two leaders unquestionably shared a common goal: each wanted to blame the other if there were no summit and no arms control agreement. Each, therefore, wanted to appear to be a fervent proponent of improved Soviet-American relations. Critics are left with the difficult and dangerous task of trying to cut through the rhetoric.

AMERICAN POLICY

In many ways, it is difficult to evaluate the policy of the United States in 1985–1986. Clearly, President Reagan wanted to continue the American military buildup, particularly the growing Navy and space defense. He also wanted to put maximum pressure on third world regimes closely tied to the Soviet Union—especially Afghanistan, Angola, Libya and Nicaragua.

Throughout 1985 and 1986, the American public was plainly uneasy about many aspects of the President's program. Congress was moving toward ending the growth in defense expenditures by limiting this growth to the rate of inflation. And the pressure that

led Congress to try to reduce the budget deficit promised to cause even more trouble for the defense budget. Short-term American actions like the bombing of Libya were popular; but according to public opinion polls, despite the administration's concerted effort at persuasion, a majority of the population opposed the \$100-million effort to support the contras in Nicaragua.

By all indications, Americans liked "standing up" to the Soviet Union and its allies so long as there was no real price to pay. The 1985 summit at Geneva was extremely popular; although it featured no concrete achievements, President Reagan returned to the United States in triumph. The summit reassured Americans that the administration's confrontational actions and the military buildup were not really damaging Soviet-American relations and were certainly not dangerous.

If President Reagan's goals were a continuation of his defense program and an attack on the left-wing countries of the third world, one would think that he would work to ensure a second summit with Gorbachev and to keep the surface of Soviet-American relations calm. A summit in November or December, 1986, would serve a number of functions. First, negotiations with Soviet leaders have forestalled reductions in defense expenditures or curtailments of weapon systems. The President can say that his bargaining position should not be weakened before his meeting with Gorbachev, and this argument might be particularly effective for the congressional conference committee trying to resolve the Senate and House defense budgets in 1986. Second, a summit would be useful for the Republicans in the congressional elections, and it would placate the Europeans, who are reportedly in their most anti-American mood in years.

Yet in practice President Reagan took a series of steps that might make a second summit meeting virtually impossible. How could Gorbachev come to the United States in December without losing face when a reduction in the size of the Soviet Union's UN mission was set for October and the American violation of SALT 2 was projected for November? Rightly or wrongly, Soviet leaders must have interpreted the timing of these moves as deliberately provocative.

In July, 1986, President Reagan wrote a letter to Gorbachev that was widely described as a compromise. However, his definition of research, as always, included testing and development, and he even asked the Soviet Union to legitimate the deployment of space defense in seven years. This was a toughening of the American position rather than a compromise.

Why was there such a difference between the administration's frequently repeated calls for a summit and the series of steps that seemed designed to sabotage it?

It is possible that President Reagan was deliberately taking positions and actions that he would

"retreat" from as "concessions." He could withdraw his demands for a reduction in the Soviet UN mission and agree to observe the SALT 2 limits; in the process he could seem to be making concessions that Gorbachev should meet. Indeed, one could imagine that he was setting the stage for an offer to sign and ratify an "improved" SALT 2 treaty in which some questionable Soviet behavior could be reversed, perhaps even in conjunction with very mild restrictions on SDI through a symbolic "strengthening" of the ABM (Anti-Ballistic Missile) treaty. If this is true, Ronald Reagan has been putting on one of the greatest acting performances of his career.

A second possible answer, which some Soviet leaders are beginning to suggest privately (and which may be implied in the insistence of some Washington commentators that President Reagan really wants both a summit and an arms control agreement), is that the 75-year-old President is taking on some of the characteristics of the ailing Leonid Brezhnev and Konstantin Chernenko. Perhaps the President does not really comprehend the interconnections between his various statements and actions and is not really in control of his administration. In this view, actions that have made a summit virtually impossible have been taken by or instigated by hard-line subordinates who do not share the President's goals.

A third possibility is that President Reagan does not see the political value of a second summit. In the 1970's, President Richard Nixon and Secretary of State Henry Kissinger believed—correctly, I think—that something like the SALT 1 treaty was crucial to quiet the antimilitary American sentiments produced by the Vietnam War and thus to permit an increase in defense expenditures and a modernization of the American strategic nuclear missile force. At that time, Ronald Reagan did not agree with them, fearing that agreements would cause the American and the European people to lower their guard.

President Reagan seemed to have learned the political value of negotiations—even negotiations without results—after the difficulties that arose when he tried the opposite tack in his first year in office. However, he may have concluded that at a second summit Gorbachev would score a triumph on American television and further undercut support for his military budget. Perhaps he thought that he could stampede the General Secretary into harsh actions and an increase in the Soviet military budget, which in turn could be used to sell his own program to Congress.

A fourth possibility is that the President thought that he really had Gorbachev in a bind. Gorbachev was announcing his determination to transform the Soviet economic system and to raise Soviet technology to world levels. Interviewed by the editors of *Time* in August, 1985, Gorbachev explicitly stated that this would have a major impact on his foreign policy:

In conclusion I want to express one thought that is the main one for our whole conversation. It has been justly said that foreign policy is a continuation of domestic policy. If that is so, then I ask you to ponder one thing: since we are setting for ourselves such grandiose plans in the domestic sphere, then what are the external conditions that we have an interest in? I leave the answer to you.¹

It seemed clear that two of the preconditions for Gorbachev's "grandiose" domestic plans were a limitation on military spending and greater access to Western technology (indeed, a greater integration of the Soviet economy into the world economy instead of the protectionism still enjoyed by Soviet manufacturers). The President may have thought that Gorbachev needed friendly Soviet-American relations for his domestic program and that therefore he had a very weak bargaining position. In this view, Gorbachev would have to come to a summit meeting and sign an unfavorable arms control agreement even under humiliating conditions. Or, conceivably, the President believed that if he prevented improved Soviet-American relations and an arms control agreement, he could prevent the reform and reinvigoration of the Soviet economy—and perhaps he could even destabilize the Soviet system.

SOVIET VIEWS

Few, if any, Kremlinologists believed that the Soviet Union would crack under American pressure. On the contrary, most specialists warned that if the United States violated the SALT 2 limits, the Soviet Union was in a position to expand its rocket force rapidly, because the Soviet people would make any sacrifice for defense.

Nevertheless, most Kremlinologists agreed that Gorbachev was saying that he needed improved Soviet-American relations. At a minimum, Gorbachev favored what he called "smooth, correct, if you like, civilized intergovernmental relations" with the United States. Since this is what *détente* really means, in contrast to the warm cooperation implied by the word "entente," Gorbachev was, in fact, calling for *détente*. But Gorbachev was also calling for a fundamental change in international relations that is better encapsulated by *entente*. As he said in May, 1985, "We firmly stand for a revival of the process of *détente*, but this does not mean a simple return to what was achieved in the 1970's." If read carefully, this and many similar statements did not refer to the United States and could have applied to Europe and Japan alone. Most American specialists, however, assumed that Gorbachev was speaking about a return to Leonid Brezhnev's American-centered policy and to the type of arms control agreements signed in that period.

¹This is a translation of the Russian version, printed in Soviet newspapers, rather than the English-language version found in the September 1, 1985, issue of *Time*.

It is a major mistake to see Gorbachev's foreign policy as a continuation of or analogous to Brezhnev's. Gorbachev went out of his way to make his statement to *Time* editors. It was a personal statement, deliberately planned beforehand, and Gorbachev could not have meant that he was endorsing an American-centered policy. In that case, he would have been deliberately telling an American audience that his domestic policy depended on the United States and that his bargaining position was hopeless. No leader would be so foolish.

The internal logic of Gorbachev's statement pointed in a different direction. If Gorbachev was promising "grandiose" changes in Soviet domestic policy and if foreign policy is a continuation of domestic policy, then Gorbachev was announcing some "grandiose" but still ill-defined change in foreign policy as well.

Gorbachev was probably right in suggesting that Brezhnev's American-centered policy was the natural continuation of his conservative domestic policy. Brezhnev knew that the Soviet Union had a very serious problem in its technological backwardness, but he opposed economic reform. For him, an arms control agreement with the United States was a way to reassure the Soviet elite and the Soviet public that technological backwardness was not dangerous because United States technology was under control.

Obviously Brezhnev would have preferred arms control agreements that really controlled American technology, but the United States would not accept such controls. As a second-best alternative, Brezhnev was willing to accept agreements with the United States that only pretended to control technology. The ABM (Anti-Ballistic Missile) treaty, for example, allowed the United States to engage freely in research; it had loopholes that permitted a good deal of testing; and it could be abrogated in six months if the United States made a breakthrough. The SALT 2 treaty was so vague that President Reagan could live with it for six years, and it did not even touch sea-launched cruise missiles, a major category of rapidly increasing nuclear missiles. Brezhnev not only accepted these treaties, but had so powerful a domestic need to do so that he paid the price of allowing large-scale emigration.

This domestic motivation for Brezhnev's policy was reinforced by a foreign policy consideration. Brezhnev and the inner core of his Politburo were members of a generation born between 1900 and 1910 and thrust to the top by the Great Purge of 1937–1938. They remembered the German danger in World War I and in World War II. Their fathers had fought in the Russo-Japanese War, and they were acutely aware of the Japanese danger in the late 1930's.

As a consequence, members of the Brezhnev generation were obsessed with Germany and Japan. They often talked as if they would like to break up the North Atlantic Treaty Organization (NATO) and the Japa-

nese-American alliance, but their efforts were half-hearted, wooden and inflexible. Former Foreign Minister Andrei Gromyko is often said to be incompetent, but it is hard to level such a charge against a man who held his job for 28 years. The far more likely explanation is that Gromyko achieved precisely what he and his countrymen wanted: continued American control over Germany and Japan. Soviet leaders feared that if NATO and the Japanese-American alliance were disrupted, an independent Germany and Japan would rearm, perhaps with nuclear weapons.

Domestic and foreign policy considerations combined to lead Brezhnev to maintain a far larger land army than was necessary and a level of secrecy that fueled Western suspicions and Western rearmament. On the one hand, Brezhnev undoubtedly continued to think in World War II terms. On the other hand, the land army and the secrecy also hid the Soviet defense weaknesses produced by technological backwardness. The secrecy may have led to a Western exaggeration of Soviet strength and continual American talk of a Soviet threat. If so, when the Voice of America relayed this information back to the Soviet Union it helped to convince the Soviet people that Brezhnev's achievements were greater than they really were.

GORBACHEV'S PRIORITIES

Gorbachev is, however, a very different man and he has very different priorities. First, Gorbachev was only in the second grade in 1939, when Andrei Gromyko was already head of the American desk of the Foreign Ministry. For Gorbachev, Germany and Japan are not the military threats they were for the older generation. Rather, they are economic marvels, who threaten the Soviet model with their industrial successes. Gorbachev was only 14 when the atomic bomb was exploded by the United States at Hiroshima; he takes nuclear weapons for granted and understands that they make a large conventional force an anachronism.

Second, Brezhnev knew he would not live until the mid-1980's, and he did not worry about the long-range consequences of technological backwardness or the type of secrecy that drove the West to higher defense expenditures. In the year 2000, Gorbachev will be only 69 years old. If he wants to stay in power that long, or usher in a new century in triumph, he must take a long-range view on questions like secrecy and economic reform. (In a recent interview, Gorbachev did not contradict a French correspondent who premised his question on the assumption that Gorbachev would rule to the end of the century.)

Third, if Gorbachev wants to ensure the "radical economic reform" that he has promised again and again, he has absolutely no incentive to hide the consequences for Soviet defense of technological back-

wardness. He has no interest in meaningless arms control agreements that save little money (nuclear arms control saves relatively little) and create the illusion that American defense technology is under control. Instead, he has an interest in exaggerating the dangers of technological backwardness in order to have an argument for reform that conservatives will find compelling.

President Reagan's Strategic Defense Initiative is the ideal threat for Gorbachev. It poses no near-term danger, and it cannot be used to justify high defense expenditures on troops and traditional weapons. The bottlenecks in SDI are computers and computer software, and the Soviet Union can meet the SDI challenge by pouring money into computer development and investment—precisely the areas that Gorbachev wants to emphasize in order to achieve his economic goals.

For these reasons, the Reagan administration should take what Gorbachev is saying very seriously. He does have an interest in détente with the United States, accurately defined: "smooth, correct, if you like, civilized intergovernmental relations." Any real danger of war would legitimate increased military spending in the Soviet Union today, and that would be counterproductive for Gorbachev's long-term goals.

However, Gorbachev has no interest in the kind of arms control agreements reached in the 1970's. He would like agreements that put a brake on American technology, and he is very unlikely to settle for less. From the moment of his interview in *Time*, he has distinguished between unverifiable laboratory research that he would authorize in an agreement and any research or testing outside the laboratory that could be seen with satellites. He has said he would not agree to the latter.

In June, 1986, Gorbachev deemphasized SDI; instead, he concentrated his space proposal on a strengthening of the ABM treaty. Although the details of his proposal have not been made public, he did call for lengthening the abrogation period from 6 months to 15 or 20 years. Soviet commentators have indicated that the strengthening of the treaty would also entail closing most, if not all, of its loopholes. Testing of antisatellite missiles has been specifically mentioned, and Gorbachev's distinction between verifiable and unverifiable research would extend to the testing of "components."

Many commentators saw Gorbachev's shift of
(Continued on page 345)

Jerry F. Hough, also a staff member of the Brookings Institution, is the author of *The Struggle for the Third World: Soviet Debates and American Options* (Washington, D.C.: The Brookings Institution, 1986) and other books and articles on Soviet politics and United States-Soviet relations.

"For over a decade, scholars have speculated about the Soviet future without Leonid Brezhnev and his generational cohort. That future is now upon us. And while it differs in some significant ways from the past, it still bears unmistakable Soviet birthmarks."

The New Leadership and the Soviet Party Congress

BY MARK R. BEISSINGER

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ONCE every five years, approximately 5,000 delegates, together with representatives from over 150 Communist and fraternal socialist parties worldwide, converge on the Kremlin to take stock of the state of the Soviet Union and of the international Communist movement. In February, 1986, this ritual was repeated when the twenty-seventh congress of the Communist party of the Soviet Union opened in Moscow. Soviet party congresses are not known for their brevity or for their succinctness; the delegates to the twenty-seventh party congress, like those of congresses of the past, were subjected to an eleven-day barrage of verbiage.

This party congress had much to ponder. It approved a new party program, the third since the Russian Revolution, to act as a long-range guide for all party activities. A new party charter establishing the rights and duties of party members and organizations was promulgated, and guidelines on the basic direction of social and economic policy to the year 2000 were ratified. But even more important, the twenty-seventh party congress is likely to be recorded in history as a significant world event that marked the transition to power of a new generation in Soviet politics.

For over a decade, scholars have speculated about the Soviet future without Leonid Brezhnev and his generational cohort. That future is now upon us. And while it differs in some significant ways from the past, it still bears unmistakable Soviet birthmarks. The twenty-seventh party congress gave a new generation of Soviet leaders a unique opportunity to disassociate itself from some of the repressive legacies and policy failures of its elders and to chart a new future. In these respects, the new generation will probably be judged by future generations to have been only partially successful. The congress provided the world with a glimpse of the struggles being waged inside the Kremlin; it also offered new insights into the ongoing conflict between the world as it is and the world as a new generation of Soviet leaders would like it to be.

Since the last party congress in 1981, the composition of the Soviet leadership and the elite has changed

significantly. Of the 22 full and candidate members of the 1981 Politburo, 8 (36 percent) had died and 6 (27 percent) had been retired from office or removed for political reasons during the past five years. As a result, a majority of the present Soviet leadership was not in the Politburo in 1981. A similar turnover has taken place within the party's Central Committee, in which the most powerful figures of the Soviet elite are represented. Of the 319 full members elected in 1981, only 145 (45 percent) remained in office in 1986, while 28 (9 percent) had died and 146 (46 percent) had been retired or removed from their positions. From 1966 to 1981, at least four-fifths of the living members of the previously elected Central Committee were reelected at every party congress; thus the enormous rate of turnover within the Central Committee over the past five years marks a significant break with the recent past.

In the wake of this turnover, the long-awaited generational change in Soviet politics has occurred. Approximately two-fifths of the members of the 1981 Central Committee had been born before the revolution, and only one-fourth had been born after 1926. By contrast, only about one-eighth of the members of the 1986 Central Committee elected at the twenty-seventh party congress were born before 1917, while over half were born after 1926. Generational change has been less thoroughgoing within the Soviet leadership than within the Central Committee, but it has nonetheless been significant. In 1981, almost three-fourths of the Soviet leadership had been born before 1917, while only one-tenth had been born after 1926. Today, only about one-fifth of the Soviet leadership was born before 1917, while almost one-third was born after 1926.

The only analogy to the scope of the changes that have taken place among party cadres in recent years is the Great Purge, which similarly skyrocketed a generation of Soviet officials—the so-called Class of 1938—to power. Like the Brezhnevs, Suslov and Kosygin of the Class of 1938,* the Class of 1986 has shared common experiences that have in part defined its outlooks and values. The new generation differs signifi-

*Leonid Brezhnev, Mikhail Suslov and Aleksei Kosygin.

cantly in its career and background experience from its predecessors. A member of the new elite is more likely to have been born into a white-collar family and less likely to have been born into a peasant family. Russians, and Slavic nationalities in general, are now more highly represented within the leadership and elite. The new generation of officials is more likely to have received a higher education. And it is more likely to have pursued a highly specialized career path, without the intrusion of political upheavals and without the disruption of administrative reorganizations.

Above all, the twenty-seventh party congress was a celebration of the accession of this new generation to power. In his speech to the meeting, Central Committee Secretary Yegor Ligachev spoke of the need to "promote fresh forces, . . . new people who understand better than others what to do and how it should be accomplished under contemporary conditions."¹ He was immediately greeted with applause.

The perceptions of the new generation have been shaped primarily by the economic stagnation and career immobility of the late Brezhnev era. For years, these officials served as the underlings, assistants and deputies of the Brezhnev generation. Their slow climb to the top was frustrated by the stability of cadres that had dominated Soviet policies over the past two decades. They are not novices to the Soviet political scene. Rather, they are career administrators who have spent their entire lives working for the existing order. Their purpose is not to dismantle that system, but to improve it. They are familiar with the many obstacles they face within the excessively centralized Soviet system; indeed, most of their careers have been spent confronting these frustrations on a daily basis.

Unlike many of their contemporaries, they rose to the top precisely because they carried out the orders of their superiors successfully and delivered results, in spite of the obstacles. Now, after years of waiting, they are issuing the orders and are in a position to demand results from their subordinates or to alleviate the obstacles to their work. Having come to power, they face the dilemma that plagued their elders: how to enact significant reforms without undermining their own powers and privileges.

DISCIPLINE AND THE "GREAT BREAK"

Anyone who peruses the hours of speeches at the twenty-seventh party congress concludes that a serious attempt is being made to change Soviet society. General Secretary Mikhail Gorbachev and his colleagues have been bold in their condemnation of the stagnation and immobilism of the recent past and of the Brezhnev leadership's inability to face its policy failures. As Moscow party secretary Boris Yeltsin stated

the issue: "Why do we continue to raise a number of the very same problems congress after congress?" Gorbachev himself bluntly provided the answer in his main address:

Over the course of a number of years . . . the practical action of party and state organs lagged behind the demands of the times and of life itself. Problems in the development of the country grew faster than they were resolved. Inertia and paralysis of the forms and methods of management, a loss of dynamism in work, and the growth of bureaucratism—all this brought great harm to our cause. . . . The situation demanded change, but in the central organs, as well as in localities, a certain psychology that attempted to improve things without changing anything took hold.

In fact, the new generation of party leaders views the stagnation of the late Brezhnev era as so serious a threat to the vitality of the Soviet system that stagnation is directly condemned in the party's newly adopted program.

One of the most frequently used words at the congress was the Russian word *perelom*, signifying "sharp break." It is not a new word in Soviet politics; Stalin once described the year 1929, when full-scale collectivization and industrialization were launched, as "the year of the great break." By appropriating this vocabulary, a new generation of party leaders apparently want to convey the impression that they are enacting a sharp break with the past that will be as far-reaching and as significant for Soviet society as that initiated by Stalin. Ironically, what is being called a "sharp break" is, at least in part, very much in keeping with the past. It is part of a well-worn tradition according to which successive generations of Soviet leaders have tried to reshape society from above instead of allowing society to shape itself.

The leadership's strategy for inducing change straddles both the past and the future; it is a dual program of restoring what is viewed as the lost social and administrative discipline of the past and simultaneously enacting administrative and social reforms to confront the tasks of the future. A campaign for imposing discipline on the party, the bureaucracy and the work force was already apparent during Yuri Andropov's 15-month tenure as General Secretary.

But shortly after coming to power, Gorbachev criticized his predecessor, Konstantin Chernenko, for allowing the campaign for discipline to disappear. Measures aimed against indiscipline, he said, had brought "tangible results," but "I must say frankly that recently attention to this most important of issues has weakened."² In the spring and summer of 1985, new measures were announced to root out mismanagement, report-padding and fraud. A campaign against alcoholism was launched, with stiff penalties against drunkenness in public places. And a far-reaching purge swept through the ranks of the party and the government. In the 12 months leading up to the

¹Unless otherwise noted, quotations from the party congress are taken from *Pravda*, February 26, 27 and 28, 1986.

²*Izvestiia*, April 24, 1985, p. 2.

twenty-seventh party congress, more high-level party and state officials were retired or demoted than in the previous 28 months under Andropov and Chernenko. Approximately two-fifths of the membership of the Soviet Council of Ministers and more than one-fourth of the provincial party apparatus were changed. There were particularly massive upheavals in the Uzbek and Kirgiz party organizations, where corruption scandals had penetrated to the highest levels of power.

At the twenty-seventh party congress, Brezhnev's trust-in-cadres personnel policy was openly condemned. As Yegor Ligachev put it: "It is well known that a certain trust in cadres often was replaced by us with unchecked trustfulness and, frankly speaking, lack of control." Instead, bureaucrats were to be held accountable to the leadership for their actions, and the "interregional exchange of cadres" between the center and periphery, intended to impart a broader outlook to administrators, was declared to be the cornerstone of the regime's new personnel policy.

This is not a new phenomenon in Soviet politics. Rather, it is an attempt to transform the party *apparatchik* and the ministers into what they were always supposed to be (agents of the interests of the center to regions and ministries rather than representatives of regional and economic interests to the center), but never were because of conflicting administrative pressures from above and below. In the wake of the burgeoning of corrupt patron-client networks during the Brezhnev era and at a time when hard decisions must be made regarding the distribution of scarce resources, the party leadership has decided to gather back the reins of personnel policy. Indicative of this effort to close ranks, there are significantly fewer members of regional organizations and of the central ministries in the 1986 Central Committee than there were in 1981, while the weight of officials from the central party apparatus has increased slightly. Moreover, the size of both the Politburo and the Central Committee has been reduced.

To a certain extent, the campaign for discipline has worked. It has raised the level of Soviet economic performance, even in the absence of significant economic reform. But imposing discipline from above is difficult to sustain in the long run. Administrative experience worldwide shows that efforts to crack down on the violation of bureaucratic rules usually prove temporary because of the high cost of enforcement and the tensions that these efforts generate within organizations.³

³See for example Alvin W. Gouldner, *Patterns of Industrial Bureaucracy* (New York: Free Press, 1954); Peter M. Blau, *The Dynamics of Bureaucracy* (Chicago: University of Chicago Press, 1963); and James Q. Wilson, *Varieties of Police Behavior* (Cambridge: Harvard University Press, 1968).

⁴*Pravda*, June 8, 1986, p. 3.

⁵*Sotsiologicheskie issledovaniia*, no. 2 (April-June, 1983), pp. 121-126.

The current campaign against alcoholism in the Soviet Union provides a classic example. A special Central Committee conference on alcoholism held in June, 1986, one year after the inauguration of the campaign, observed that while the sale of alcoholic beverages had been cut by more than one-third, many ministries and party organizations, "satisfied with these early partial results, have recently weakened work aimed at eradicating drunkenness and strengthening discipline and have begun to exhibit complacency." Growing illegal moonshine production and bootlegging were cause for "serious concern."⁴

Similarly, in May, 1986, the Soviet leadership promulgated new tough measures against black-marketeering and bribe-taking. Yet a 1983 Soviet survey found widespread tolerance of these phenomena. More than four-fifths of those surveyed favored leniency in cases of petty theft and bribery; two-fifths were willing to turn a blind eye toward report-padding and black-market speculators; and one-fourth were neutral or negative toward punishing large-scale embezzlers.⁵ In view of these pervasive public attitudes, any serious effort to enforce the law would require a sizable watchdog bureaucracy, and any effort at eradication would involve a high level of violence. Brezhnev's heirs have opted for the former.

At the twenty-seventh party congress, Gorbachev declared a decisive break with "those who hope that everything will settle down and return to the old rut." Indeed, some leaders apparently believe that even more drastic measures and periodic shake-ups are needed to prevent society from drifting back into complacency. In his main address to the congress, Gorbachev revealed that "some comrades" had suggested that the party be subjected to periodic purges to maintain its vitality. By contrast, while calling for an "active" personnel policy, Gorbachev has publicly eschewed the "permanent purge" as an instrument of rule; the party, he told the congress, is in general "a healthy organism" capable of overcoming specific instances of corruption and mismanagement without resorting to periodic "special campaigns."

In the future, if the reforms now contemplated prove insufficient, the new leadership will be pulled between these two conflicting currents. On the one hand, it will be subject to the constant temptation to reach accord with society, to abandon its efforts to force change and to relax its vigilance against all but the most blatant infractions of the law. On the other hand, as long as violations of discipline continue to flourish, there will always be those who opt for still more radical and forceful methods of dealing with the problem.

Those at the top of the Soviet Union's command economy naturally view administrative problems largely in terms of compliance with the bureaucratic orders and rules that they themselves have established. Behind the campaign for discipline lurks a

broad misperception that identifies the violation of the law and bureaucratic indiscipline with Soviet economic decline. On the contrary, most Western scholars agree that it is the excess of rules and regulations and the inability of the overbureaucratized Soviet system to satisfy the demands of its citizens for goods and services that gives rise to the violation of bureaucratic and legal rules. Indeed, in the Soviet system, these violations are inevitable in order to perform one's duties properly and put food on one's plate. In the absence of serious economic reforms, violations of discipline are likely to continue, no matter how severe the punishment and no matter how ruthless the law.

REFORM AND REORIENTATION

At least some Soviet leaders, including Gorbachev, would agree with this assessment. They recognize that discipline campaigns as a strategy for dealing with Soviet economic problems are limited and they have embraced the need for far-reaching economic reform. In the summer of 1983, the Soviet leadership approved a series of economic experiments in which enterprises would be evaluated primarily by their output sales volume and the fulfillment of delivery contracts. These modest measures, which Gosplan (State Planning Commission) Chairman Nikolai Baibakov at the time called "a circumspect approach" to the problems of the economy,⁶ spread to most of Soviet industry in the following two years. When he became General Secretary in April, 1985, Gorbachev observed that the first results of the experiments had "not been bad," but "they cannot satisfy us completely."⁷ Instead, Gorbachev has publicly called for "radical reforms."

Gorbachev's economic strategy combines elements of both centralization and decentralization. Five agricultural ministries have already been abolished and consolidated into a new State Committee for the Agroindustrial Complex, and coordinating bureaus have been established to guide the work of machine-building and energy agencies. Beginning in 1987, procurement plans for collective farms will remain stable, and farms will be able to sell up to 30 percent of their produce, as well as above-plan production, directly to local consumer cooperatives, to state stores, or in collective farmers' markets. Perhaps most significant, the prices of fruits and vegetables are to be set locally.

On several occasions, Gorbachev has hinted at the need to introduce limited market mechanisms into the economy, including flexible prices. He has called for decentralization of authority in industry and the elimination of the middle levels of the bureaucracy.

⁶*Izvestiia*, August 18, 1983, p. 3.

⁷*Izvestiia*, August 24, 1985, p. 1.

⁸See *Pravda*, June 12, 1985, pp. 1-2, and June 17, 1986, pp. 1-4.

⁹*Pravda*, June 27, 1985, p. 1.

¹⁰*Sovetskaia Rossiia*, June 29, 1985, p. 2.

According to Gorbachev's vision, planning agencies are to be turned into "scientific-economic" organs, "staffed by the best scientists and leading specialists." Emphasis on raw "quantitative" indicators is to be eliminated, and the "leading place" is to be given to quality, productivity and cost-effectiveness.⁸

But, as in the past, efforts to enact economic reform have been encountering serious political resistance. In June, 1985, in Dnepropetrovsk, Gorbachev hinted that some leaders were questioning the pace at which he was trying to enact change; as he put it, "the question might arise: aren't we moving too quickly?"⁹ He may well have been referring to Central Committee Secretary Yegor Ligachev, who several days later declared that any changes being contemplated within the economy would have to "take place within the framework of scientific socialism, without any shifts toward a 'market economy' or toward private property."¹⁰ At the twenty-seventh party congress, Gorbachev once again complained that "the position that any change in the economic mechanism is viewed as a retreat from the principles of socialism" was "unfortunately widespread."

Gorbachev appears to have successfully built a consensus within the leadership around the need for change, but he has not yet managed to forge agreement in favor of the kind of "radical reforms" that he has championed. Nor has he yet consolidated enough power to force change over the objections of his colleagues. Signs of extensive conflict within the leadership abound. Politburo member and Kazakh party boss Dinmukhamed Kunaev was personally criticized at the Kazakh party congress, and this criticism was splashed across the pages of *Pravda*, yet he was reelected to all his posts. Why? Who can explain why former Chairman of the Council of Ministers Nikolai Tikhonov and former Gosplan Chairman Baibakov, both retired from office in the fall of 1985, were reelected as full members of the Central Committee at the twenty-seventh party congress? And how is it that, although many officials have been replaced, very few of the replacements have career ties with Gorbachev?

Clearly, Soviet leadership is still very much collective leadership, and efforts to institute change have generated tension within the ruling group. As a result, as one minister put it at the party congress, there have been "more polemics about improving management than there has been actual reform."

Even more vexing than opposition to significant reform within the leadership is the tacit bureaucratic resistance to efforts at reform. At the June, 1986, Central Committee plenum, Gorbachev openly admitted

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"Without extraordinary economic reform, the Soviet Union will have trouble competing with the economic giants. Thus the military instrument will probably loom large again as the Soviet Union's primary claim to status and international position."

The Soviet Military under Gorbachev

BY CONDOLEEZZA RICE

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ON October 27, 1982, Soviet President Leonid Brezhnev summoned his military leaders to the Kremlin to tell them that they were receiving all the military supplies they needed and to remind them that he was in charge of defense policy.¹ Not since the 1930's had so much been done in peacetime to build Soviet military power. Unlike his predecessor, Nikita Khrushchev, Brezhnev was not willing to conduct Soviet foreign policy on the basis of threats and brinkmanship. Thus, in the decade that spanned 1965-1975, the Soviet Union had undertaken a program of military modernization at breakneck speed and had achieved at least a draw and, in some cases, superiority to the United States in the entire complement of military forces.

But the extraordinary meeting in the Kremlin was not a self-congratulatory final act. Exasperation and exhaustion shone through in Brezhnev's words. Military spending had exacted a toll on a weak Soviet economy. By the mid-1970's, economic stagnation had apparently caused a decline in the rate of increase in Soviet military spending. President Ronald Reagan's dedication to "rebuilding America" threatened nuclear parity, so much a part of the Soviet claim to equality with the United States. The war in Afghanistan, which should have been a relatively easy police action, was driving home the lesson that overwhelming military power does not always bring easy victory. Finally, a series of social problems began to surface in the armed forces: alcoholism, discipline and major shifts in ethnic composition threatened morale.

Mikhail Gorbachev inherited this military instrument when he became General Secretary in March, 1985. In his ideal world, the intensive Soviet military buildup of the 1960's would have allowed him to turn to the domestic agenda, to try to infuse Soviet society with economic and social vitality. Unfortunately for Gorbachev, the maintenance of military power is a

dynamic, not a static, process. But he has been so preoccupied with the domestic agenda that he has been relatively mute on matters of military policy. If a policy line is emerging, it is that the most fundamental tasks facing the military can be solved only within the framework of the overall economic recovery of the Soviet Union.

Military modernization programs have different phases. At one end of the spectrum is the rapid acquisition of weapons based on existing technology and current production lines and facilities. At the other is investment in basic research. In between are a host of short- and long-term investment decisions.

The current Soviet modernization program appears to be moving ahead on schedule. This round of modernization can probably be completed with existing production facilities.² The military may face unaccustomed competition for skilled labor and scarce resources, but the modernization program now under way should be completed without difficulty.

Soviet leaders are modernizing their strategic forces with the deployment of the SS-25, a single-warhead mobile missile, and they have been testing the multiple-warhead SS-24. Modernization of strategic nuclear submarines is moving somewhat more slowly. Three or four additional Typhoon-class submarines may now be under construction but the Soviet Union has deployed only three since the Typhoon's appearance in 1981. The bomber forces are being modernized, primarily through refurbishing and rearming the Bear-class bomber rather than by deploying the long-awaited Blackjack, a rough equivalent of the American B-1.

Conventional force modernization is also proceeding. Two new fighters, the MiG-29 and the SU-27, are being tested and are expected to enter service. A number of new naval vessels, including perhaps a full-size aircraft carrier, are also said to be near deployment. One exception in the conventional force modernization program is the T-80 tank, which is not making its way to the field very rapidly and may, in fact, represent a less significant upgrade of the T-72 than observers once believed. It is not clear whether the T-80 program is being stretched out for budgetary reasons or because of technical problems with the tank itself. Most analysts agree that Soviet leaders intend

¹The meeting was reported in *Krasnaia zvezda*, October 28, 1982.

²See the joint report of the United States Defense Intelligence Agency and Central Intelligence Agency, *The Soviet Economy under a New Leader*, report prepared for the Joint Subcommittee on Economic Resources, Competitiveness and Security Economics, United States Congress, March 19, 1986.

to complete this round of modernization by the early 1990's.

A more difficult problem for the Soviet Union is what to do about other phases of modernization. The time frame for major improvements in military technology is, according to one Soviet commentator, 10 to 15 years.³ Revolutionary changes in technology take much longer from the phase of research and development to the deployment of new weapons. The question is whether the Soviet Union can compete with the United States in the longer time frame, given the weakness of its economic and technological base. The Soviet military met the challenges of mechanization of forces in the 1930's, the A-bomb in the 1940's and ballistic missile technology in the 1950's and 1960's. But they did so through a mobilization strategy, pouring resources and scientific talent into the project at hand.

The present challenge is not likely to be met through this strategy. Technologies are developing along several parallel paths. Soviet researchers must simultaneously pursue breakthroughs in high-energy physics, microelectronics, artificial intelligence and real-time image processing. The latter two technologies depend heavily on supercomputing, in which the Soviet Union lags at least a generation behind the United States and Japan. Defense Minister Sergei Sokolov recently noted that "scientific-technical progress offers colossal opportunities."⁴ But key military leaders in the Soviet Union now acknowledge that without improvement in the technological base of the entire economy, the Soviet military will be hard-pressed to take advantage of these opportunities. It has become fashionable in Soviet military circles to note that basic improvements in the economy must be made so that the Soviet Union can support "the highest order military technical tasks."⁵ At this time, with the current modernization program proceeding, the generals can afford to be generous in supporting Gorbachev's economic modernization program. Many of the areas targeted for investment, especially parts of the machine-building industry, will provide the basis for the next round of military modernization. Computers and robotics

are also high-priority items. In fact, many priorities read like a military wish list.⁶ This is not to say that the military is setting the direction of investment, but if it proceeds as planned, the military will certainly benefit.

Long-term military modernization decisions may also be deferred because the military does not agree about the course of the next revolution in military affairs. The future of Soviet military forces is embroiled in a debate over doctrine and strategy and, to date, no winner has emerged. A resource-constrained future looms over the debate, and some elements of the Soviet military are fighting for their very lives.

NUCLEAR FORCES

The key issue is the relative weight that should be attached to the modernization of strategic nuclear forces. In the early 1960's, strategists believed that warfare would begin with massive nuclear strikes deep into enemy territory. Since the war would be over very quickly, many military observers believed that conventional weapons were obsolete. With the fall of Khrushchev in 1964, "one-variant war," as this view was called, lost favor.⁷ Gradually, Soviet strategy included a range of options. The Soviet Union began to plan for a protracted conventional phase, although nuclear weapons were still accorded the position of the "decisive" element in warfare.

In recent years, some strategists, associated primarily with the General Staff, have taken a more radical view. Large-scale nuclear war, they reason, would have catastrophic consequences for both sides. But what happens to military strategy if nuclear war cannot be fought and won? These officers argue that nuclear weapons, even if they are not employed, will govern the course of warfare and will induce a kind of paralysis at the strategic nuclear level. Under this umbrella of fear it might be possible to contemplate not just a conventional phase of war, but a conventional war option in which few, if any, nuclear weapons would be used.

The implications of this view for Soviet defense procurement are enormous. Former Chief of the General Staff Nikolai Ogarkov has used a sufficiency argument about nuclear weapons: "You do not have to be a military genius to see that stockpiling nuclear weapons is senseless." Ogarkov was not, of course, arguing that the weapons themselves were senseless. On the contrary, he was pointing to the new frontier of military power. "Now in contemporary conditions . . . there are weapons based on new physical principles which can achieve yields close to those of small nuclear weapons."

For Ogarkov and those like him, the end product of the modernized Soviet economy will be high-technology weapons. Modern battles will be fought with precision-guided munitions and reconnaissance drones.

³M. Cherednichenko, "Modern War and Economics," *Kommunist vooruzhennykh sil*, no. 18 (September, 1971), pp. 20-28.

⁴See Sokolov's speech to the twenty-seventh party congress in *Krasnaia zvezda*, March 3, 1986.

⁵See for example M. A. Gareyev, *M. V. Frunze: Voennyi teoretik* (Moscow: Voenizdat, 1985), pp. 242-243.

⁶See the interview with Major General V. Vaskyov in *Kommunist vooruzhennykh sil*, no. 20 (October, 1985).

⁷In fact, the notion of full-scale nuclear exchanges at the beginning of a war (sometimes called spasm war) has been denounced as unrealistic under contemporary conditions. The influential report of the Sokolovsky commission on nuclear strategy (published in 1962, 1963 and 1968), *Voennaia strategiya*, has been denounced by name, an unusual step for the Soviet Union. See Gareyev, op. cit., p. 240.

The new battlefield will include automated decision making, with real-time information processing giving the commander greater access to usable data in search of the "perfect" battlefield decision. At times, the Soviet General Staff apparently sees World War III as World War II fought with the benefit of high technology and better organization.

This view is not universal. Stockpiling nuclear weapons may be senseless, but it is cheaper than developing and deploying weapons based on the esoteric technologies being proposed. Moreover, some Soviet specialists are not convinced that a "conventional option" is realistic. Viktor Kulikov, commander in chief of the Warsaw Pact, for instance, continues to emphasize the potential for escalation from conventional to nuclear war. In that case, the range of weaponry would of necessity include strategic nuclear weapons that can accomplish militarily significant missions. Strategic nuclear weapons sufficient to induce paralysis would not be enough.

In a speech to the party congress, Defense Minister Sokolov accorded nuclear weapons their accustomed leading role, saying, "The basis of the military might of the armed forces of the Soviet state are the strategic rocket forces." But he emphasized the importance of other types of weapons and gave a strong nod in the direction of changes in conventional weaponry.

Temporarily, therefore, Gorbachev can be a hero to the high-technology element in the Soviet military while attending to the economy's broad technological needs. At some point, however, this situation may become strained. A segment of the military is asking the Soviet Union to do something that it has never done well: to develop technologies along a broad spectrum in competition with the most sophisticated power in the world. This is a risky proposition, and Gorbachev may find that the temporary alliance with the proponents of high-technology weapons, if it can be called that, will ultimately cost him more than the traditional course. Moreover, there are entrenched interests that will fight high technology, just as mechanization produced a cavalry backlash that found a mission for horses long after their usefulness.

The job of the current traditionalists will be easier, too. In the absence of warfare, it will be difficult to prove conclusively that massive nuclear arsenals are obsolete. In the process, the usually solid alliance of the professional military and heavy industry may experience some strain. The institutes of the Academy of Sciences, the Ministry of the Electronics Industry and other bastions of high technology may become the real allies of the military. The unity forged from the need for steel during the mechanization of forces may finally come to an end.

⁸Stephen Meyer has provided a very good summary in "Soviet Policy and the American Strategic Defense Initiative," *Survival*, November-December, 1985.

There is, however, a wild card that could force decisions about military modernization. Military officers compete in their domestic environment with other social needs but they also compete, head to head, in the international system with other military professionals. The threat of a new, fast-paced American defense modernization program hangs over this internal Soviet debate. American budgetary limits aside, the Soviet military must watch with care the pace of American modernization. Foremost in this regard is the future of President Reagan's Strategic Defense Initiative (SDI).

The fear that the United States will begin to race again, imposing force modernization and investment decisions on the Soviet Union, explains a great deal about the flurry of Gorbachev's arms control proposals. The proposals, some new, others old and almost all grandiose, have formed the hub of Gorbachev's policy toward the United States. The Soviet leader undoubtedly wants to reduce the threat of nuclear war. But while his aim is laudable, it does not explain the urgency with which he has attacked the nuclear issue while remaining mute on other military matters. Gorbachev's urgency is better explained by an old Soviet motive; arms control is a means of harnessing American technology. Soviet leaders know that in competition with the United States, they can and will stay abreast if the pace is not too fast. Their problem, especially in a period of resource scarcity, is to make certain that the United States does not spurt ahead.

The Strategic Defense Initiative is a case in point. The Soviet Union has been conducting research on defensive technologies more consistently and in a more dedicated fashion than the United States. By most accounts, Soviet leaders are doing well in most relevant areas. There are specific weaknesses, in computing for example, but with the world's only operational antiballistic missile (ABM) system, they are in a very strong position.⁸ Nonetheless, a mobilized, directed American effort bringing superior Western technology to bear (including perhaps European and Japanese technology) would be a challenge.

The Soviet General Staff can probably make all the calculations that have convinced broad segments of the American scientific community that nationwide defense is infeasible. But Soviet leaders have an almost pathological respect for American technology. In any case, they would have to respond with countermeasures like an increase in offensive nuclear warheads to maintain the Soviet Union's ability to penetrate United States defenses. Combined with the fruits of the American buildup in strategic nuclear forces, including the Trident D-5 missile that will give the United States survivable, time-urgent, hard-kill capability from the sea, the Soviet Union could be in an all-out race that it would rather avoid. Undoubtedly, with their usual dogged determination, Soviet leaders

would devote massive resources to another round of competition. But Marshal Sokolov's understated point that an arms race with the United States is "not our preferred course" probably has greater meaning than the Soviet Union would like the world to know.⁹

Gorbachev has tried to mobilize world public opinion and has presented President Reagan with enticing, if sometimes underdeveloped, arms control options. For a while, there was little follow-up at the negotiating table, prompting United States Secretary of State George Shultz to accuse the Soviet Union of flagrant "public diplomacy." Whether Gorbachev was simply outpacing his own bureaucracy's ability to draft policy positions or whether this was a frantic public diplomacy game is difficult to say. But the Soviet Union has finally made an offer at Geneva that seems to put several pieces of its arms control plans together.

After months of saying that "space-strike weapons" (a code word for antisatellite and SDI-type weapons) would have to be abandoned and after vacillating on whether research should be allowed, the Soviet Union proposed deep reductions in the offensive missiles of the two sides within a framework of the reaffirmation of the ABM (Anti-Ballistic Missile) treaty. The ABM treaty does not prohibit research (although defining "research" is difficult) and would thus allow SDI to continue in some form. The Soviet proposal includes a section that seeks an agreement to abide by the terms of the treaty for 12 to 15 years; this supports the notion that the chief Soviet concern is the pace of the American program.

Soviet force modernization could also be affected when the Reagan administration makes a final decision about the fate of the second strategic arms limitation treaty (SALT 2). The United States has claimed that the Soviet Union has violated the ABM treaty by building a phased-array radar at Ablakova, which is located on the periphery of the country. Other violations of SALT 2 provisions have also been cited. The Reagan administration may decide to scrap SALT 2 and Soviet leaders have said that they will respond. It is unclear whether there are Soviet countermeasures that are of any military value but the Soviet Union would certainly act for political reasons. For Gorbachev, the Reagan administration's arms control decisions hold one key to the policy of postponing major military modernization decisions.

SOCIAL PROBLEMS AND THE SOVIET MILITARY

The military leadership has been almost as preoccupied with social problems as it has been with mil-

itary-technical issues. There have been embarrassing rumors that Soviet soldiers have sold their weapons for vodka in Afghanistan and East Europe. To the extent that these rumors hold even a grain of truth, it is clear that discipline is a serious problem. Not surprisingly, discipline and morale have become central themes in the Soviet military press. In his speech to the party congress, Marshal Sokolov praised the Soviet soldier, but added that not all soldiers are disciplined and tempered for military service.¹⁰ Sokolov's admission of the problem at a party congress, in a usually self-congratulatory speech, is new, and stands in marked contrast to the statement Andrei Grechko made to the twenty-fourth party congress when he praised the youth of the Soviet armed forces without qualification.

The Soviet military is also feeling the pressures of the country's multiethnic composition. The proportion of Slavs in the military declined 11 percent between 1970 and 1985 as a result of lower birth rates among the more affluent Slavs. As a result, the potential for ethnic conflict is growing, and reports of racism among the ethnocentric Slavs are not unknown. Nevertheless, aware of the problem, the leadership is taking steps to ameliorate it. Soviet leaders discourage identification of the Central Asians as a group, and since relations among the various minority groups are not always cordial, this is often a successful strategy. Soviet leaders are also actively encouraging outstanding Central Asian soldiers to seek careers as officers. In the absence of success here, they might copy the American armed forces and increase the minority component of the noncommissioned officer ranks.

A more serious problem is the relative illiteracy of Central Asian recruits in the Russian language. Soviet leaders have become so open about this problem that one suspects it is serious. The Main Political Administration (MPA) is now involved in language training in Central Asia, providing textbooks, language schools and clubs.¹¹ Ironically, this strategy, pursued for valid military reasons, may further lower the position of women in Central Asia, who are not targeted by these programs and who, for religious and cultural reasons, already lag behind their male counterparts.

THE POLITICAL-MILITARY BALANCE SHEET

In short, Gorbachev faces significant problems in
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⁹Sokolov, op. cit.

¹⁰Ibid.

¹¹See Ellen Jones, *Red Army and Society* (Boston: Allen and Unwin, 1985). See also Alexei A. Yepishev's proposals in *Svyashchennii dolg, pochetnaia obyazannost* (Moscow: DOSAAF, 1983).

"Western technology is important, but by no means crucial [to] the economic strength and military might of the Soviet Union. . . . Soviet socialism and central planning are not incompatible with technological dynamism, but so far it has proved impossible to generate adequate innovative vigor across the full spectrum of Soviet economic activities. This is the challenge facing Gorbachev."

Technology in the Soviet Union

BY JULIAN M. COOPER

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SOON after his election as General Secretary of the Soviet Communist party, Mikhail Gorbachev posed the central issue facing the country in stark terms. Speaking at a plenary session of the party's Central Committee in April, 1985, he briefly reviewed the difficulties of the late Leonid Brezhnev years and then went on:

The country's historic destiny and the position of socialism in the present-day world depend, in large measure, on how we . . . act further. By making wide-scale use of the achievements of the scientific and technological revolution, and by bringing the forms of socialist economic management into line with modern conditions and requirements, we must achieve a substantial acceleration of social and economic progress. There is simply no other way.¹

Gorbachev identified the key strategic lever for boosting economic development unambiguously as "a cardinal acceleration of scientific and technological progress." Since then, "acceleration" has become the leitmotif of the Gorbachev leadership's domestic policy, and issues of technology have come to occupy the center of the political stage.

In recent years, certain Western perceptions of the Soviet Union have gained broad currency, not only at the popular level, but also in policymaking circles. It is widely believed that the Soviet economy is extremely backward, even primitive, with respect to the level of technology in the United States, Japan and West Europe. Soviet socialism and central planning are said to be incompatible with technological dynamism, except in the military sphere, where the highest political priority insures a performance relentlessly challenging to the West. But even in the more advanced defense sector, it is often held, the Soviet Union is crucially dependent on acquiring advanced Western technology by fair means or foul. To an even greater extent, with respect to the civilian sector, the West perceives itself as a life-support system, provid-

ing transfusions of advanced technology essential to the health of the Soviet economy.

These one-dimensional images have the merit of simplicity; they are reassuring, sustaining deeply held beliefs in the superiority of free enterprise and liberal democracy. They are also true to some extent; after all, at the same Central Committee session, Gorbachev himself observed that:

In most sectors scientific and technological progress is proceeding sluggishly; . . . during the recent period the production apparatus of the country has strongly aged. . . . The quality of products [does not] correspond to modern technical, economic, aesthetic, indeed to all, customer requirements. . . .

Nevertheless, these perceptions do not adequately capture the richness of technology in the Soviet Union and may thus be misleading guides to policy.

One significant feature of Soviet technology emerges from all the studies undertaken so far, namely, that performance exhibits striking variation between, and even within, different technologies, industries and sectors of the economy.² There are peaks of Soviet achievement outdistancing anything in the West, but there are troughs of the most extraordinary depth; there are technologies in everyday use that advanced Western countries have relegated to industrial museums. Such variations occur in all countries, but the extremes are more pronounced in the Soviet economy. It is not the innovative capacity of the Soviet planned economy that is questioned, but the operation of a system that inhibits the withdrawal of the obsolete.

The inhibitions of the Soviet system help to account for low average levels of technology in many sectors; and the maintenance of the antiquated has promoted the growth of a low-technology repair industry of staggering proportions. It employs some six million people and has a stock of machine tools as large as that possessed by the entire engineering industry of Japan. The annual expenditure on repairs of machinery and equipment in the Soviet economy is equivalent to the combined output of the Soviet coal, oil and gas industries. This very uneven technological per-

¹*Pravda*, April 24, 1985.

²The most comprehensive Western study of Soviet technology is Ronald Amann, Julian M. Cooper and R. W. Davies, eds., *The Technological Level of Soviet Industry* (New Haven: Yale University Press, 1977).

formance reflects certain structural features of the Soviet economy.

TECHNOLOGY AND THE ECONOMIC STRUCTURE

When the Soviet economy embarked on rapid industrialization early in the 1930's, high-quality resources were in extremely short supply. Soviet economic plans called for the priority development of industrial branches essential to the survival of the Soviet state and the creation of a capacity for independent economic development. Specific branches were particularly favored: military production, civilian engineering, iron and steel, electric power and basic chemicals. Those least favored included consumer goods. Material resources were allocated by a non-market system of administered supply that proved to be a very effective instrument for enforcing state priorities. High-quality resources—equipment, materials, labor, and managerial and technical skills—were concentrated in the priority sectors; the remaining sectors were developed by drawing in large quantities of low-quality resources, in particular labor, to compensate for their lack of access to quality inputs.

Over time, a highly differentiated economic structure emerged. Soviet industry, indeed, the economy as a whole, can be viewed as having a multilevel, pyramidlike structure. At the upper levels of the pyramid are enterprises, usually large, in priority branches, with high-quality production equipment, material inputs and human resources, including access to the most proficient research and development (R and D) facilities. The quality of resources diminishes as one descends to lower levels of the pyramid; at the base there are many small, ill-equipped enterprises, including repair workshops, which use labor-intensive techniques and produce at low levels of quality.³ This rigidly stratified economic structure possesses considerable inertia and resistance to change.

In general, the higher up the multilevel economic structure an enterprise is located, the more advanced its technology and the better its standing in relation to industrially advanced Western countries. Since the early 1930's, the defense industry has enjoyed the highest state priority and access to the highest quality resources; not surprisingly, its comparative technological performance has been the most consistently suc-

cessful. This does not necessarily mean technological superiority or even equivalence to the West: the latest United States Department of Defense assessment of the technological level in 24 deployed military systems puts the Soviet Union ahead of the United States in 4, equal in 7 and behind in 13.⁴

Some civilian activities have also received relatively high priority over many years, including the production of some types of equipment for the energy and transport sectors (for example, electric power generation and transmission equipment, nuclear power equipment, ships, aircraft and heavy-duty trucks and tractors). All these activities at the upper levels of the pyramid require high-quality material and production equipment inputs. Thus a certain proportion of the output of Soviet supplier industries is technologically respectable by international standards, and the Soviet Union is a world leader in some instances. Examples include the metallurgical industries, with strong technologies for the production of quality steels and for processing titanium, aluminum and other nonferrous metals; the machine tool industry, which is capable of building complex machining centers of high quality; and the manufacture of specific production equipment, including welding technology, where Soviet preeminence is generally acknowledged. However, the bulk of these supplier industries' output meets the needs of customers at the middle and lower levels of the pyramid, where quality requirements are less demanding and, at the bottom, may be very low indeed. Prime Minister Nikolai Ryzhkov recently observed that only 29 percent of the serially produced products of the civilian engineering industry are equal to world technological levels; it is likely that the proportion is similar, or lower, in other branches.

Branches at the upper levels of the pyramid produce some of their own material and equipment, often because the specialized ministries responsible for the products concerned are unable to meet the high technological standards required. Thus the defense industry itself builds some ten percent of all metal-cutting machine tools, including at least one-fourth of all numerically controlled machine tools; it also produces approximately ten percent of all steel, including at least half the quality electric-arc steel smelted in the country.⁵ Similarly, the aircraft industry has substantial capacity for nonferrous metals processing, and the electronics industry produces a very high level of quality inputs. The segmentation of important industries places additional barriers in the way of the diffusion of progressive new technologies and makes difficult the pursuit of coherent, industry-wide technology policies.

This structural view of the Soviet economy helps to explain innovative performance. The Soviet Union is capable of successful technological innovation and can produce goods of a high technological level. The problem facing the Gorbachev leadership is that this

³This structural interpretation draws on the insights of the Soviet economist, Yu. V. Yaremenko, in *Strukturnye izmeneniya v sotsialisticheskoi ekonomike* (Moscow: Mysl, 1981).

⁴United States Department of Defense, *The FY 1987 Department of Defense Program for Research and Development*, Statement by the Undersecretary of Defense, Research and Engineering to the 99th Congress, 2d session, 1986 (Washington, D.C., February, 1986).

⁵See Julian Cooper, "The Civilian Production of the Soviet Defence Industry," in Ronald Amann and Julian Cooper, eds., *Technical Progress and Soviet Economic Development* (Oxford: Basil Blackwell, 1986), p. 41.

successful performance tends to be restricted to the upper reaches of the stratified economy, where appropriate high-quality resources of all kinds are available. At the lower levels, there is less demand for advanced technology and an inferior capacity to develop it. An additional factor in the diffusion of technologies is the strong bias of investment policy toward the building of new enterprises, rather than the reequipment of existing facilities. Activities at the upper levels of the economy are more likely to be favored with investment in new capacity incorporating the latest technologies, and the inadequate investment in reequipment forces enterprises at the lower levels to maintain obsolete equipment, leading to the hypertrophied growth of the repair sector.

The Soviet Union has approximately 1.5 million natural and social scientists. Less than 10 percent of them work in the Academies of Sciences of the Soviet Union and the Soviet republics, which undertake a high proportion of the country's fundamental research. Almost 40 percent work in the higher educational sector, but they account for only a small share of the total R and D. The remaining 50 percent are employed in so-called "branch" research organizations, directly subordinate to economic and other ministries; some 500,000 are concerned with industrial R and D. In purely quantitative terms, this represents an impressive research potential but, again, the qualitative side must be considered. The R and D system is also highly stratified in terms of the quality of its human and physical resources. In general, the most highly skilled scientists and the best-equipped laboratories and experimental facilities are found in the academy system, the leading technical institutes of the educational sector, and the branch establishments of the priority branches of industry. These organizations are principally concerned with meeting the R and D needs of the upper reaches of the economic pyramid.

In recent years, despite its responsibility for basic research, the academy system has been increasingly drawn into work on new technology projects directly concerned with the priority branches of industry, including the defense sector; the growth of experimental and small-scale production undertaken by academy organizations is becoming so substantial that it constitutes a new, high-quality sector of Soviet industry.

But there is also a very extensive network of R and D organizations serving the needs of lower levels of the economy. In this sector, facilities are frequently ill-equipped; skill levels are low; and many establish-

ments are probably incapable of developing new technologies that would meet world standards. Until very recently, even the least productive of these institutes could expect to survive, but some are now being disbanded by the government.

THE NEW TECHNOLOGIES

It has been recognized for a long time that the Soviet Union has been backward in computing technology and that this lag has proved difficult to eliminate.⁶ The situation is exemplified by the Soviet Union's late entry into the age of mass home computers. Home computers are now on unrestricted sale, but in very small quantities. The 1986-1990 plan calls for the production of 1.1 million professional (i.e., more sophisticated) personal computers, intended mainly for use in schools and by scientists and engineers. The problems of computing clearly relate in part to the stratified nature of the economy. Until recently, computers have been produced to meet the needs of the upper levels of the system, in particular defense. The principal manufacturer of general purpose computers is the Ministry of the Radio Industry. Electronic components and microcomputers, including the home model now on sale, are produced by the Ministry of the Electronics Industry. Both these ministries are members of the group of nine ministries constituting the core of the defense industry.

Computers have only gradually filtered down the pyramid and, not surprisingly, many problems have been encountered because lower-level users have not possessed the skills and have lacked the disciplined organizational and administrative culture required for their effective use. This limited diffusion of computers has deprived the computer industry of valuable feedback from a diverse range of users. In the West, feedback has enhanced the quality and user-friendliness of computing equipment. At the same time, restricted production runs in the Soviet Union must have raised costs.

In recent years, the dynamic of innovation in computing and in electronics in the West has increasingly come from civilians, including the consumer market. Because of its orientation, Soviet industry has not been well placed to respond to this challenge. Since about the mid-1970's, it has been trying to accelerate the development of microelectronics and computing on the basis of the latest technologies, and has sought to diffuse their application much more widely. The research base of the industry has been strengthened by the creation in the Academy of Sciences of a new division for informatics, computing technology and automation under the energetic leadership of Evgeny Velikhov. Several new research institutes have been created; one of them has the responsibility for leading the work on personal computers. The industry has been following a strategy often adopted for major new

⁶See M. Cave, "Computer Technology," in Amann, Cooper and Davies, op. cit., pp. 307-406; and S. E. Goodman, "Technology Transfer and the Development of the Soviet Computer Industry," in Bruce Parrott, ed., *Trade, Technology, and Soviet-American Relations* (Bloomington: Indiana University Press, 1985), pp. 117-140.

technologies: while producing copies and adaptations of proven Western designs, it is simultaneously attempting to build up its own design capability to permit a more independent path of development.⁷

The Soviet Union is now manufacturing a wide range of microprocessors, some on a substantial scale, and these are beginning to find application in a rapidly widening spectrum of goods, including consumer items.⁸ The range of microcomputers is also expanding, and progress is being made in the development of original supercomputers. This effort involves extensive cooperation with the Soviet Union's CMEA (Council for Mutual Economic Assistance) partners. A recent development is the formation of a new State Committee for Computing Technology and Informatics, charged with the oversight of all aspects of the use of computers throughout the economy. The Soviet Union is still behind in microelectronics and computing, but Soviet leaders are making determined efforts to keep up with Western developments, and the lag may be substantially reduced in the years to come.

One sees a similar pattern in other major technology fields. In industrial automation, or "mechatronics," there is now high-level party and government pressure for more rapid progress. The production of industrial robots expanded sharply from 1,600 units in 1980 to 13,200 in 1985, with a planned output of 28,600 units in 1990. Until recently, the majority of robots were relatively simple; now there are strenuous efforts to raise their technological level and quality. Some of the best robot models are built by defense sector enterprises. Characteristically, many problems have been encountered in spreading their use to enterprises below the top tier of industry.

For a while in the 1970's, the Soviet Union was the world's largest producer in unit terms of numerically controlled (NC) machine tools; again, these were usually of relatively simple design. In the 1980's, efforts have been directed to raising their technological level, with much greater emphasis on the building of multi-tool machining centers and modules for flexible manufacturing systems. The production of NC machine tools is to rise from 17,700 units in 1985 to 34,200 in 1990, including 2,500 and 10,700 machining centers, respectively. Enterprises of the defense industry ministries are at the forefront in the creation of flexible manufacturing and computer-aided design systems; some particularly advanced installations are to be found in Leningrad. In this field, there appears to be a deliberate attempt to promote cooperation between the

⁷See Julian Cooper, "Western Technology and the Soviet Defense Industry," in Parrott, op. cit., pp. 193-195.

⁸See Paul Snell, "Soviet Microprocessors and Microcomputers," in Amann and Cooper, op. cit., pp. 51-74.

⁹This section draws on Julian Cooper, "Western Technology and Soviet Economic Power," in Mark E. Schaffer, ed., *Technology Transfer and East-West Relations* (London: Croom Helm, 1985), pp. 80-110.

defense sector and the civilian engineering industry.

Other new technologies receiving priority treatment include industrial lasers, the production and use of which until recently were heavily concentrated in the defense industry; powder metallurgy and the production of composite materials; plasma technologies; and biotechnology. Often, institutes of the academy system serve as mediating links between the defense and civilian sectors, helping to diffuse the technologies down the economic pyramid. The active involvement of defense industry ministries in the development and manufacture of many significant new technologies makes it difficult for Western analysts to assess the level of Soviet achievement at the leading edge. The more visible activities of civilian organizations may not reflect the true Soviet capability, heightening the impression of backwardness.

THE ROLE OF WESTERN TECHNOLOGY

In examining the role of Western technology in the Soviet civilian economy, different categories of acquisitions may be distinguished.⁹ Some branches of Soviet industry regularly import a proportion of their equipment either from the West or from CMEA partners (for example, ships, railway rolling stock, agricultural machinery, timber, paper and pulp machinery, metallurgical equipment and machinery for the light and food industries). These well-established patterns indicate an accepted international division of labor and are "normal" acquisitions that may account for a substantial proportion of Western technology transfers. In other cases, shifts in the pattern of acquisitions have been associated with attempts to pull up lagging sectors of the economy.

In recent years, the chemical, automotive, oil and gas industries have been prominent recipients of such "structural" acquisitions, which can raise an enterprise to a higher level on the economic pyramid. In the auto industry, for example, the effective operation of the Fiat-supplied Vaz car plant at Toliatti required the modernization of a large range of supplier enterprises, the adoption of higher quality standards and more modern methods of management.

During periods like the 1970's, when international conditions are favorable, Soviet acquisitions of Western technology may increase across a broad front. Such

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"As contra-behavior has grown in scope and diversity over the years, the Soviet authorities have evolved a more flexible and differentiated array of policy responses. Repression naturally remains standard fare, the regime's daily 'bread' . . . but Soviet policy is actually far more complex."

Soviet Dissent since Brezhnev

BY ROBERT SHARLET

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THE year 1986 represents a set of decennial anniversaries of benchmark years in the ongoing repression of dissent in the Soviet Union. It has been 30 years since First Secretary Nikita Khrushchev delivered his dramatic critique of Joseph Stalin at the 1956 twentieth party congress. His speech gave an enormous impetus to the de-Stalinization process in the Soviet Union. The year 1986 is also the twentieth anniversary of the Siniavsky–Daniel trial of 1966, the first major political trial of the post-Stalin period. Because of the critical reactions of the intelligentsia, the trial can also be regarded as the beginning of open, public dissent in Soviet society.

Finally, it has been a decade since the formation by dissidents in 1976 of unofficial "watch groups" in various parts of the Soviet Union. These groups, which have been subjected to continuous repression, were intended to monitor Soviet compliance with the human rights provisions of the Helsinki Final Act signed in 1975. Thus, the watch groups represent one of the high-water marks of dissent in the Soviet Union.

In the course of three decades, dissent has evolved into a broadly based systemic phenomenon within the Soviet system. As such, it can be more easily understood as a "contra-system," a conceptual framework for integrating and analyzing the informal, unofficial and nonconformist behavior patterns that have emerged in Soviet-type systems.¹ Contra-activities include political dissent, ethnic nationalism, unsanctioned religious activism, a parallel high culture, a youth counterculture, a sub-rosa "free" education process and, implicitly, a second, largely illegal economy.

Since the death of Stalin in 1953, political dissent has performed three broad functions essential to the

evolution of the interrelated ethnic, religious, cultural, youth and educational dissent. Political dissent has helped individuals to overcome the pervasive fear of the authorities and to transcend the social atomization imposed by the regime (legacies of the Stalin era). It has encouraged the reprivatization of social behavior and the gradual process of reconstituting enclaves of civil society independent of the state. And it has broken the official monopoly on the flow of information and ideas by creating an alternative communications system.

Andrei Amalrik, one of the earliest and boldest dissidents, described the overcoming of fear as a gradual "self-liberation," in which activists living in "an unfree country" adopted the radical posture of behaving "like free men."² In this spirit, in March, 1956, just after Khrushchev's anti-Stalin speech, the young physicist Yuri Orlov spoke at a scientific meeting of the need for the democratization of the Soviet Union. In a similar vein, in 1958 a short-lived "Hyde Park" atmosphere sprang up spontaneously around a newly erected statue of the poet Vladimir Mayakovsky in Moscow.

As a corollary to acting like "free men," the 1950's witnessed the revival of trust between individuals and families after the death of Stalin and the cessation of Stalinist terror. Circles of close friends grew up among the "middle class" and the intelligentsia. Within these circles of like-minded people of mutual trust, social behavior was depoliticized and reprivatized. And as these circles spread and extensive networks of friends and acquaintances were revived in the Soviet Union, a long-submerged civil society began to resurface.

Finally, Ludmilla Alexeyeva writes, "Large groups that fostered mutual trust created ideal conditions for the spread of *samizdat*." As she observes, "Independent public opinion ha[s] been born," initially fostering the growth of political dissent or the human rights movement itself and then, through the *Chronicle of Current Events*, the main underground journal, providing "the first link between geographically isolated" pockets of political dissidents.³ Similarly, the emergence of an independent, alternative communications network was indispensable to the subsequent mushrooming of diverse ethnic nationalisms.

¹See Robert Sharlet, "Dissent and the 'Contra-System' in the Soviet Union," in Erik P. Hoffmann, ed., *The Soviet Union in the 1980s* (New York: Academy of Political Science, 1984); and Sharlet, "Dissent and the Contra-System in East Europe," *Current History* (November, 1985).

²Andrei Amalrik, *Notes of a Revolutionary*, trans. Guy Daniels (New York: Knopf, 1982), p. 26.

³See Ludmilla Alexeyeva, *Soviet Dissent: Contemporary Movements for National, Religious, and Human Rights*, trans. Carol Pearce and John Glad (Middletown, Conn.: Wesleyan University Press, 1985), pp. 12, 15, 269–270 and 285.

Other forms of contra-behavior—like unsanctioned religious activism—have also benefited from the rise of the Soviet human rights movement. Religious activism has assumed many forms, including open activity with a limited subterranean dimension (the Evangelical Baptists), an entirely underground church (the True and Free Seventh-Day Adventists), and a hybrid of overt and covert activism fused with an awakening of nationalism and the demand for permission to emigrate (the Jewish emigration movement).

The progressive development of the samizdat information system has been bound up with other contra-phenomena. The emergence of the parallel high culture in defiance of the canons of censorship and party prescriptions for aesthetic orthodoxy would have been inconceivable without the samizdat. The popular youth counterculture that conspicuously diverges from adult mores and officially approved life-styles also owes a great deal to the samizdat for the private dissemination of contra-music, among other cultural activities.

Even before the word samizdat was invented in the late 1950's, precursors of the parallel culture—George Orwell's *1984* in a rough Russian translation, Milovan Djilas's *New Class*, and an account of the official writers' meeting condemning Boris Pasternak for *Dr. Zhivago* and for accepting the Nobel Prize for Literature—were in hand-to-hand circulation. Even the bureaucratic elite was reading underground literary works.⁴ And by the mid-1960's, the "Youngest Society of Geniuses" or SMOG, the first unofficial literary society, had been established and was circulating its samizdat journal *Sphinxes*. Thereafter, the parallel culture became a full-scale alternative to official culture—enriched as it was by the novels of Aleksandr Solzhenitsyn, unofficial art shows, living-room theater and the multifaceted "second culture" of Leningrad.

The contra-system was also augmented by the more popular youth counterculture, a generational revolution in dress, music and personal life-styles. Soviet youth was very much influenced by the international youth culture of the West (which initially reached Soviet society through the first International Youth Festival held in Moscow in 1957), and by the hundreds of thousands of Western tourists who carry their cultural "baggage" into the Soviet Union every year.

However, the counterculture is less an offshoot of samizdat than of one of its variations—*magnitizdat*, the

copying and private circulation of audio cassettes of underground Soviet pop and rock music as well as the latest musical hits of the West.⁵ Western pop music virtually pours into the Soviet Union via foreign radio, tourists' pockets, and the luggage of returning official travelers.

There is also scattered evidence of the lesser developed contra-component of the mainly urban-based, sub-rosa independent educational process that bypasses the curricular restrictions of the heavily controlled educational system. This activity is particularly dependent for its texts and teaching materials on samizdat and yet another of its variations, *tamizdat*, books published outside the Soviet Union and illegally brought in.

The first shadowy beginnings of independent education occurred in the late 1950's, when academic specialists, often using pseudonyms for protection, began to give lectures on forbidden topics to small groups in private apartments. Later, as the fear of terror waned, these fledgling efforts became bolder, reaching a substantial level in the Jewish emigration movement during the 1970's. Jewish educational activities were undertaken by the sizable "refusenik" community, those Jews repeatedly refused exit visas "who have psychologically broken with Soviet society."⁶ The refuseniks organized Jewish kindergartens, Hebrew language courses, and a "floating university" comprised of a variety of scholarly seminars for the many Jewish academics and other specialists who were forced out of their jobs when they announced their intentions to emigrate to Israel or, later, to the United States.

In 1974, refusenik scientists attempted to stage an international scientific conference; two years later other scholars were partially successful in organizing an international meeting on Jewish culture in Moscow.⁷ By the end of the 1970's, the People's University of Mathematical Studies had been set up as a contra-structure for the increasing number of young Jewish mathematicians denied admission to mainstream university mathematics faculties on the basis of rigged entrance exams.⁸

REGIME RESPONSES

The regime has not remained passive in the face of the contra-system's challenges. In the late 1950's and early 1960's, bureaucratic harassment and low-profile judicial repression of embryonic contra-behavior were more or less the official reflex responses. Beginning in the mid-1960's under Leonid Brezhnev, more conspicuous political trials became the norm, epitomized by the first major post-Stalin show trial of Andrei Siniavsky and Yuli Daniel for their underground writings (which had been published abroad in several languages). However, instead of deterring further deviations from the official norms of behavior, this trial generated considerable protest and set in motion

⁴See Arkady N. Shevchenko, *Breaking with Moscow* (New York: Ballantine Books, 1986), p. 149.

⁵See Gene Sosin, "Magnitizdat: Uncensored Songs of Protest," in Rudolf L. Tokes, ed., *Dissent in the USSR* (Baltimore: Johns Hopkins University Press, 1975), chap. 8.

⁶Alexeyeva, op. cit.; p. 198.

⁷See Mark Ya. Azbel, *Refusenik: Trapped in the Soviet Union* (Boston: Houghton Mifflin, 1981).

⁸See Grigori Freiman, *It Seems I Am a Jew: A Samizdat Essay*, trans. M. B. Nathanson (Carbondale, Ill.: Southern Illinois University Press, 1980), especially chap. 3.

the still ongoing “dialectic of dissent and repression.”⁹ In the late 1960’s and the early 1970’s, more and more people banished from official Soviet society for their nonconformist behavior joined the contra-system.

As contra-behavior has grown in scope and diversity over the years, the Soviet authorities have evolved a more flexible and differentiated array of policy responses. Repression naturally remains standard fare, the regime’s daily “bread,” as Anatoly Shcharansky’s brother Leonid once put it,¹⁰ but Soviet policy is actually far more complex.

Since the persecution of the poet and Nobel Prize winner Pasternak in the late 1950’s, the party commissars have gradually accommodated some aspects of the parallel culture. Nonetheless, political strictures still set the artistic parameters; hence, the parallel culture continues to develop. In the same spirit, the Communist Youth League has moved with the times, partially coopting countercultural trends, although youth vogues, like punk styles and “heavy metal” rock, continually transcend the limits of official cooptation.¹¹

When the party-state can do little to deal with a contra-problem and is unwilling to eliminate its causes, coexistence is the policy response. Thus there is a vast second economy that functions as a surrogate consumer supply system in a country of perpetual scarcity.

There is also the policy of containment, which is routinely used in varying degrees against contra-citizens engaged in dissent, nationalist activity and illegal religious practice. However, the authorities make distinctions and fine-tune their responses. For instance, since the last years of Brezhnev in the late 1970’s and the early 1980’s, the conservative faction of the political leadership has subtly coopted the Russian nationalist tendency and, recently, even nascent shoots of native fascism.¹²

Similarly, the official disposition toward the small group of democratic socialists and the more numerous Russian Orthodox activists appears less coercive, judging by the relatively light judicial treatment that is suggestive of a posture of semicoexistence.

⁹See Robert Sharlet, “Dissent and Repression in the Soviet Union,” *Current History* (October, 1977); and Frederick C. Barghoorn, “Regime-Dissenter Relations after Khrushchev,” in Susan Gross Solomon, ed., *Pluralism in the Soviet Union: Essays in Honour of H. Gordon Skilling* (London: Macmillan, 1983).

¹⁰Quoted in Robert Sharlet, “Dissent and Repression in the Soviet Union and Eastern Europe: Changing Patterns Since Khrushchev,” *International Journal*, vol. 33, no. 4 (1978), p. 795.

¹¹See Richard Tempest, “Youth Soviet Style,” *Problems of Communism*, vol. 33, no. 3 (May–June, 1984); and Michael Binyon, *Life in Russia* (New York: Pantheon, 1984), chap. 9.

¹²See Peter Reddaway, “Waiting for Gorbachev,” *New York Review of Books* (October 10, 1985), p. 9.

¹³See Sharlet, “Soviet Legal Policy under Andropov: Law and Discipline,” in Joseph Noyce, ed., *Soviet Politics: Russia after Brezhnev* (New York: Praeger, 1985), chap. 5.

Within containment, finally, it is the Helsinki monitors, the unregistered religious believers, the Ukrainian nationalists and other ethnic advocates who feel the full brunt of repression, which has become even more relentless and severe in recent years.

REPRESSION SINCE BREZHNEV

Since Brezhnev’s death in 1982, there has been little or no qualitative change in the hard-line repression policy of his latter years. His successors—Yuri Andropov, Konstantin Chernenko, and Mikhail Gorbachev—inherited legislative, judicial and administrative weapons for combating dissent. Any changes that have occurred have been quantitative—succinctly, more repression and less emigration, consistent with the continuing broad-gauge, post-Brezhnev emphasis on “discipline” in Soviet society.¹³

Current Soviet repression policy is the result of a policy shift in the late 1970’s, when the leadership realized a changing cost-benefit ratio in the containment of dissent. As Soviet–American détente began to wane, the international political costs of repressing dissidents declined and the domestic social benefits increased.

From the late 1970’s through 1984, a series of Soviet actions followed by sharp reactions in the United States served to further diminish the costs and intensify the harshness of domestic repression in the Soviet Union. Beginning with the Soviet invasion of Afghanistan in 1979 and American sanctions, the Soviet Union gradually isolated itself from the influence of Western public opinion, which had formerly afforded a degree of protection to Soviet dissenters. The Afghan invasion was followed by the internal banishment of human rights leader Andrei Sakharov, the engineering of martial law in Poland in 1981, the shooting down of the South Korean airliner in 1983, the walkout from the disarmament talks later that year, the intensification of the war in Afghanistan, withdrawal from the World Psychiatric Association (in the face of possible expulsion for the political abuse of psychiatry), the boycott of the 1984 Summer Olympics in Los Angeles, the killing of an American army officer in East Germany, and the political trial of Yelena Bonner, Sakharov’s wife, in the city of Gorky. Each of these Soviet actions evoked either American sanctions or harshly worded statements. But eventually the United States exhausted its reserve of sanctions and rhetoric, and the process of political repression in the Soviet Union became increasingly cost-free to the Soviet authorities.

The already tough network of Soviet laws used to contain dissidence, nonconformity and contra-behavior in general has been augmented and strengthened by Brezhnev’s successors. The scope of the law on subversion—Article 70 of the Russian Republic criminal code and corresponding articles in other union republic codes—has been enlarged. The concept of

"official secrecy" has been codified, effectively impeding communication with foreigners by making heretofore innocent conversations criminally liable. Other new rules regulate visits by foreigners to Soviet homes, and make more expensive (and thus more difficult) the receipt of packages from abroad. Finally, a post-Brezhnev addition to Soviet criminal law has made it possible for the authorities to retry and further sentence serving prisoners, political and criminal, for further infractions of prison and camp rules.¹⁴

The amendment to the subversion rule has facilitated the containment of political dissent, while the new rules on foreigners and packages seem intended to restrict further the activity of Jewish would-be emigrants, ethnic dissidents and some religious activists for whom overseas contacts are important. The penal resentencing article, in turn, has been used since 1983 and effectively threatens all types of imprisoned dissidents and emigration activists with extensions of their initial sentences.

This repressive rule replaces an even more egregious extralegal procedure introduced under Brezhnev. To prevent the release of prominent dissidents, they were falsely charged with base criminal offenses just before the completion of their "political" sentences. They were then tried, convicted and sentenced anew. In effect, the new article formalizes, legalizes and codifies the function of keeping dissidents out of circulation, because nearly every prisoner breaks one or another penitentiary rule while serving his or her time.

Under Brezhnev's heirs, political dissent has been steadily criminalized. In addition, religious and ethnic protest, "whistleblowing" and other nonconformist behavior continue to be medicalized through the involuntary commitment of a protester to a mental institution. The medicalization of protest flourishes and is carried out with even less official restraint since the Soviet Union's withdrawal from the World Psychiatric Association.

Finally, the vast array of ad hoc administrative reprisals employed against a wide spectrum of contracitizens has been progressively institutionalized and bureaucratized. The more extreme forms of reprisal include the extension of the "pressure cell" technique of forcibly extracting confessions. With official connivance, political prisoners are now being subjected

to brutalization by hardened criminals, whose task it is to break a man's will in order to make him more politically tractable.

Even worse is the growing tendency of the police to intimidate especially bold dissidents by "muggings" and even murder in the form of extrajudicial executions. This deadly practice may have been partly inspired by the Latin Americanization of Polish police reprisals against underground Solidarity activists, who are frequently turning up dead under thinly veiled mysterious circumstances.¹⁵ Deadly extrajudicial force was previously employed in the Ukraine occasionally by the Soviet security police. Since Brezhnev, there appears to be an escalation of these methods against Lithuanian religious activists.¹⁶

HUMAN RIGHTS UNDER GORBACHEV

Since Gorbachev took office, the human rights situation has remained unremittably bleak and unchanged except for a few symbolic gestures.¹⁷ While the unofficial peace group founded by dissidents in 1982 still exists under constant, myriad pressures, the Helsinki watch groups have been suppressed. In the past 10 years, over 40 members have been imprisoned, of whom 3 died in custody, 13 are still imprisoned, 5 are in internal exile, and 1 is confined to a psychiatric hospital. Arrests and trials of political, ethnic and religious dissidents continue unabated;¹⁸ Jewish emigration remains at its nadir.

Nonetheless, there is some circumstantial evidence that the cost-benefit ratio of repression may shift again toward moderation. Three factors may augur an improved human rights situation. Gorbachev must try to slow the arms race. He wants to reform and modernize the Soviet economy, presumably through renewed technology flows from the West. And he hopes for some image refurbishing in the wake of the mishandling of the Chernobyl nuclear accident. The implicit premise of the human rights improvement hypothesis is that one or all of these considerations may impel Gorbachev and the Soviet leadership to let up on dissidents as Brezhnev did, as a trade-off for détente.

Regrettably, the evidence in support of the hypothesis is thin. Gorbachev has made four highly visible moves on the human rights front. Yelena Bonner was permitted to travel abroad for urgent medical treatment; a small group of Soviet citizens have been allowed to emigrate to join their foreign spouses in the West; Anatoly Shcharansky, the prominent Jewish activist and political dissident imprisoned since 1977, was prematurely released and permitted to emigrate to

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¹⁴See Joshua Rubenstein, *Soviet Dissidents*, rev. ed. (Boston: Beacon Press, 1985), p. 326.

¹⁵See for example the entries under "Further Deaths 'In Mysterious Circumstances,'" in *Uncensored Poland News Bulletin*, nos. 5-9 and 12 (February-June, 1985).

¹⁶See for example the underground journal *Chronicle of the Catholic Church in Lithuania*, no. 70 (April 23, 1986).

¹⁷See Zhores Medvedev, *Gorbachev* (Oxford: Basil Blackwell, 1986), pp. 210-214.

¹⁸See for example *USSR News Briefs: Human Rights*, nos. 1-8 (January 31-April 30, 1986).

Robert Sharlet is developing two recent articles on the "contra-system" in the Soviet Union and East Europe into a longer study.

"Economic performance data for early 1986 show that the Gorbachev approach has had some success. . . . These gains are probably due to the discipline campaign and are similar to the gains in the Andropov era. [However, there are] reasons to believe that Gorbachev's strategy will not be successful."

The Soviet Economy

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The acceleration of the country's social and economic development is the key to all our problems; . . . bold measures [are] needed to switch the economy to the intensive path [and] better labor discipline [is] needed; . . . the success of any endeavor is determined, to a decisive extent, by how actively and consciously the masses participate in it.¹

With these words General Secretary Mikhail S. Gorbachev addressed the twenty-seventh party congress in February, 1986. His approach is similar to that advocated by the late General Secretary and President Yuri Andropov, especially his emphasis on discipline.

Gorbachev has been General Secretary for over a year, making it possible to sense how he perceives the economy's problems and how he intends to solve them. Statistics on economic performance in 1984 and 1985 show that the rates of growth of a number of key indicators declined from 1984 to 1985, including Net Material Product produced (the Soviet equivalent of the Western concept Gross National Product), industrial output and industrial labor productivity. Only in 1979 had Net Material Product produced grown at a slower rate (2.2 percent). Agricultural output stagnated for the second year in a row, although there was an improvement in the growth of productivity in 1985. Trade with nonsocialist countries stagnated in 1984 and declined in 1985. Consumption increased at a slightly faster rate in 1985. Although the rate of growth

of investment improved, the rate of growth of capital put into operation declined, resulting in a large increase in unfinished investment. These statistics can hardly encourage the Soviet leadership and indicate that Gorbachev's leadership did not have an immediate positive effect on economic performance.

In his party congress speech, Gorbachev alluded to serious problems in several industries, including machine building, petroleum, coal, electrical equipment, ferrous metallurgy, chemicals and construction. In 1984, the output of petroleum and coal actually fell, and so did consumer goods, including margarine, canned goods, refrigerators and freezers. In 1985, petroleum output fell again, and so did chemical fibers and filaments, turbine generators and some consumer goods.² Although the Soviet Union remains the world's largest petroleum producer, both the petroleum and coal industries have failed to meet production targets since 1976.³

Problem areas like machine building, energy and labor productivity are closely related. Although a number of subbranches of machine building grew rapidly in 1985, the output of several high-technology products, like robots and precision instruments, grew slowly.⁴ The backwardness of machine building is responsible for the excessive use of unmechanized labor, which keeps productivity low and exacerbates the labor shortage. The slow introduction of new technology also keeps raw material and fuel requirements per unit of output high. Thus investment requirements for the raw material and fuel sectors remain high and compete with machine building for scarce investment funds.⁵ However, some progress was made in 1985, when the amount of energy consumed per unit of Net Material Product produced fell by 1 percent, compared to a 1 percent increase in 1984.⁶

Weather has been a major factor in poor agricultural performance. In 1984, gross agricultural output fell slightly, mainly because of an 11 percent decrease in grain output. In 1985, the Soviet Union experienced the worst winter in 50 years and there was drought in some regions, contributing to a fall in the output of sugar beets, potatoes and vegetables.⁷ The Soviet Union purchased a record 55 million tons of

¹"Gorbachev Opens 27th Party Congress," *Current Digest of the Soviet Press*, vol. 38, no. 8 (March 26, 1986), p. 11.

²"The Report on 1984 Plan Fulfillment," *Current Digest of the Soviet Press*, vol. 37, no. 4 (February 20, 1985), pp. 10-16; "The Report on 1985 Plan Fulfillment," *Current Digest of the Soviet Press*, vol. 38, no. 5 (March 5, 1986), pp. 14-20, 31.

³John M. Kramer, "Soviet-CMEA Energy Ties," *Problems of Communism*, vol. 34, no. 4 (July-August, 1985), p. 38.

⁴*PlanEcon Report*, vol. 2, no. 7 (February 17, 1986), p. 11.

⁵Boris Rumer, "Structural Imbalance in the Soviet Economy," *Problems of Communism*, vol. 33, no. 4 (July-August, 1984), pp. 28-29.

⁶*PlanEcon Report*, op. cit., p. 3.

⁷*Ibid.*, pp. 3, 8, 15; United States Department of Agriculture, Economic Research Service, *U.S.S.R.: Outlook and Situation Report* (Washington, D.C., April, 1985), p. 3.

grain in world markets; about one-third of the grain was produced in the United States. Before the Chernobyl disaster, imports were expected to fall to about 31 million tons in 1986, because of better weather and the changes instituted by Gorbachev.

The distribution of Soviet foreign trade shows that since 1981 there has been a turning inward within the socialist bloc. Gorbachev's goal of accelerating the introduction of new technology apparently does not depend to a large degree on increased imports of Western technology. Rather, he envisions more imports of high-quality machinery and consumer goods from East Europe.⁸ In 1985, much of the growth in Soviet imports was due to a continued increase in shipments of machinery and equipment from East Europe.⁹

Because of falling oil prices and the deterioration in the value of the dollar (the currency for which the Soviets sell oil), the terms of trade vis-à-vis the West began shifting against the Soviet Union in March, 1985. Combined with declining oil production, this caused a 15 percent reduction in energy exports to the West and a sharp fall in hard currency export revenues. Soviet leaders were forced to step up borrowing from Western banks and to reduce hard currency imports. In 1985, the Soviet Union had a deficit of \$611 million in trade with the developed West, compared to a 1984 surplus of \$2,174 million.¹⁰

It is predicted that continued reductions in oil prices will reduce Soviet hard currency earnings by \$4 bil-

lion to \$5 billion in 1986. This, plus restrictions on the sale of Western technology to the Soviet Union, is expected to keep Western exports of plants and technology to the Soviet Union low this year. West Germany, the Soviet Union's biggest Western trading partner, has seen its exports to the Soviet Union fall by 8.8 percent in the first quarter of 1986. As a way of conserving hard currency, the Soviet Union has indicated an interest in joint ventures with Western companies.¹¹

Another factor operating to the Soviet Union's disadvantage in Western markets is the recent contract under which Norway will sell \$64 billion in natural gas to West European countries. As a result, Soviet earnings from the sale of natural gas to West Europe are expected to fall from \$10 billion a year to \$2 billion or \$3 billion a year.

If the terms of trade in exporting to the West have turned against the Soviet Union, the opposite has happened in Soviet-East European trade, due to increased fuel prices within the Council for Mutual Economic Assistance (CMEA, also called Comecon). Soviet gains from these price increases (from 1973 to 1985) are estimated to be 70.7 billion transferable rubles.¹² The Soviet Union is taking steps to reduce its trade surplus with CMEA countries (except Poland) and is calling for the repayment of CMEA debts.¹³ In 1985, because imports from the socialist countries grew faster than exports to them, the Soviet Union reduced its trade surplus with these countries from 3.9 billion rubles (in 1984) to 1.6 billion rubles. To pay for imports of energy from the Soviet Union, the East Europeans will be forced to orient their exports increasingly toward the Soviet Union and away from the West.

Although energy exports to socialist countries fell only 1.1 percent in 1985, PlanEcon, Inc., a Washington, D.C.-based think tank, believes that the Soviet Union cut either oil or raw material shipments to East Germany, Czechoslovakia, Bulgaria and, possibly, Hungary. This worsened the economic situation in Bulgaria, Hungary and Czechoslovakia. These cuts are expected to continue.

Weapons are an important component of Soviet trade with the less developed economies. Soviet arms exports fell by 25 percent in 1985 and are expected to fall further in 1986 because of falling oil revenues in Middle Eastern countries. However, a factor that will tend to boost Soviet trade with the developing countries is the recently announced agreement under which Soviet economic and trade aid to Cuba will increase by 50 percent in 1986-1990.¹⁴

In the days immediately following the disaster at the Chernobyl nuclear power facility, the Soviet Union released very little information on the extent of the damage, while the Western press was rife with speculation about massive economic and human costs.* On May 1, *The New York Times* speculated that: "The

*Editor's note: On August 21, the government released a report on the April 26 disaster. It said the accident occurred because of six worker errors and because of design flaws in the reactor. In July the Politburo announced that 3 high-ranking nuclear power officials had been dismissed from office and that criminal proceedings were being instituted against those responsible for "gross breaches" of discipline at the plant. On July 21, Nikolai Lukonin was named head of the Ministry of Nuclear Power; the ministry was created after the accident to take over the responsibilities of several other subministerial agencies. See *The New York Times*, July 20 and 22, 1986, and August 22, 1986.

⁸Vladimir V. Kusin, "Gorbachev and Eastern Europe," *Problems of Communism*, vol. 35, no. 2 (January-February, 1986), p. 42.

⁹*PlanEcon Report*, op. cit., p. 3.

¹⁰*Ibid.*, pp. 3-4, 13; *PlanEcon Report*, vol. 2, no. 14 (April 7, 1986), p. 2.

¹¹*The Wall Street Journal*, May 15, 1986, p. 32.

¹²Joseph Pelzman, "Overview," in United States Congress, Joint Economic Committee, *East European Economies: Slow Growth in the 1980's*, vol. 2, 99th Congress, 2d Session (Washington, D.C.: U.S. Government Printing Office, 1986), p. 260.

¹³John P. Hardt, "Highlights," in *East European Economies: Slow Growth in the 1980's*, vol. 2, p. vii. However, the Soviet Union recently postponed from 1986 to 1990 a Cuban payment of \$125 million on Cuba's debt. See W. Raymond Duncan, "Castro and Gorbachev: Politics of Accommodation," *Problems of Communism*, vol. 35, no. 2 (March-April, 1986), p. 50.

¹⁴Duncan, op. cit., p. 57.

radioactivity deposited around the reactor complex may stop agriculture for decades in the Chernobyl area." Futures prices of grains, soybeans, livestock, cotton and sugar moved sharply higher in response to speculation about a second meltdown. These prices fell after Soviet statements that planners would not need to increase agricultural imports as a result of the disaster.

Leonid M. Zamyatin, the Soviet ambassador to Great Britain, said that scientists had found the soil beyond a 60-kilometer radius of Chernobyl uncontaminated. In addition, a United States Department of Agriculture economist told a Senate hearing that there was no evidence the accident caused substantial damage to Soviet agriculture. In particular, the Ukraine, a rich farming area, apparently suffered only minimal contamination.¹⁵

Given the minimal damage to agriculture within the Soviet Union, it is ironic that farmers in Europe are suffering from the fallout. Consumers in some West European countries are refusing to buy lettuce and other produce even though local officials say the food is edible. In May, the Common Market imposed a ban on imports of vegetables, meats and dairy products from East Europe (except East Germany). Even some manufactured goods have been refused. This caused Romania to miss debt payments to Western banks, could have a similar impact on Poland and Yugoslavia, and could cause Hungary to step up its borrowing. A Common Market legislative body has demanded that the Soviet Union pay for damages suffered by Common Market farmers. The Soviet Union has indicated it will refuse.¹⁶

According to PlanEcon, Inc., the most substantial costs of Chernobyl will be in energy rather than agriculture. The loss of agricultural output will be from 0.5 to 1.0 percent of total agricultural output, necessitating an increase in food imports from the West of at most \$500 million to \$1 billion. However, the accident will have a serious adverse effect on nuclear power development and a small effect on Soviet energy exports: oil to the West and oil and electric power to East Europe.

There will be a loss of 4,000 megawatts of nuclear power generating capacity, 14 percent of total Soviet capacity at the end of 1985. Much of this will be offset by producing more electric power in coal- and gas-fired plants. Soviet leaders are fortunate that the acci-

dent happened at a time of low seasonal demand; electric power shortages may not occur before October. PlanEcon, Inc. also projects that Soviet oil exports to the West will fall by only 40,000 barrels per day. However, the rate of growth of the nuclear power industry is projected to fall from 18 percent annually to only 10–11 percent over the next 5 years.

In order to meet the 1990 output target for electric power, more electricity will have to be produced in conventional plants. Thus the exportable surplus of oil and natural gas will continue to be adversely affected, especially oil deliveries to East Europe. If there are shortages of electric power, the effects on industrial production could be serious.

PlanEcon, Inc.'s estimate of the immediate cost of Chernobyl to the Soviet economy is 0.32 to 0.51 percent of Net Material Product produced. This figure includes the loss of the reactor, the cost of the cleanup operation, health care costs, lost agricultural production, and relocation and administrative costs. It does not include the loss of hard currency export earnings or the loss of industrial production because of shortages of electric power. Other potential effects include a loss in tourism income, increased food imports for hard currency and an increase in Soviet gold sales.¹⁷ Finally, the accident will certainly slow down the construction of nuclear projects in developing countries and in West Europe.

These projections of the effects of the Chernobyl accident have been made with incomplete information. Thus they should be interpreted as preliminary and subject to change.

GORBACHEV'S STRATEGY

Gorbachev's plans through 2000 include several key indicators, all of which are to accelerate over actual performance in the early 1980's. Since both investment and per capita income are projected to grow at slower rates than national income, the implication is that defense spending will grow more rapidly.¹⁸ These plans are being adopted in an environment unfavorable to accelerated growth. Traditional extensive methods involving a large increase in the quantities of inputs can no longer be used. Labor force growth rates and the growth of the capital stock are low and falling. While the Soviet labor force grew by 0.8 percent per year from 1976 to 1985, it will grow only by 0.4 percent a year from 1986 to 1990. With a labor force participation rate of approximately 90 percent, little can be done to boost the labor force in the short run, although there may be small increases as a result of more part-time work by pensioners and women. Currently, one-third of all pensioners work.

Capital productivities are declining: it requires twice as much capital as it did 15 years ago to generate the same increase in national income.¹⁹ Furthermore, because of the worsening terms of Soviet trade vis-à-

¹⁵*The Wall Street Journal*, May 16, 1986, p. 16, and May 19, 1986, p. 27.

¹⁶*The New York Times*, May 13, 1986, p. 1; *The Wall Street Journal*, May 19, 1986, p. 1; May 21, 1986, p. 1; and June 4, 1986, p. 31.

¹⁷*PlanEcon Report*, vol. 2, nos. 19–20 (May 16, 1986).

¹⁸Ed A. Hewett, "Gorbachev's Economic Strategy: A Preliminary Assessment," *Soviet Economy*, vol. 1, no. 4 (October–December, 1985), p. 288.

¹⁹*Ibid.*, p. 290.

vis the West, imports of technology and equipment will be a less important source of growth. Positive exogenous factors include a possible improvement in the weather and better terms of trade with East Europe.

Soviet leaders are aware that only an intensive strategy will enable them to achieve their goals. A recent analysis in *Ekonomicheskaya gazeta* pointed out that under an extensive strategy, capital spending would have to grow 30–40 percent during the 1986–1990 five year plan and the labor force would have to expand by 8 to 10 million workers. The plan, however, calls for capital spending to grow at most by 20 percent, and the labor force will probably not expand by more than 2 million.²⁰

Given an unfavorable economic environment, how does Gorbachev expect to revitalize the economy? A key element of his strategy is his attempt to improve discipline at all levels. In short, Gorbachev wants people to work harder. Several steps have been taken to achieve this goal. The anti-alcoholism campaign was revived in the summer of 1985, and it is now illegal to sell alcohol before 2:00 P.M. In his speeches, Gorbachev exhorts the population to work more conscientiously and to take their responsibilities seriously. To combat popular cynicism, Gorbachev has cultivated a new openness of style and truthfulness (until Chernobyl). He has toured factories and has listened to workers. The scope of economic debate has widened; articles recently published in Soviet newspapers discuss the country's failure to achieve equality of either opportunity or results and the possibility of unemployment in a socialist society.

PERSONNEL CHANGES

Even more important, dramatic changes in personnel have occurred, both in the Communist party and in the bureaucracy, as part of Gorbachev's campaign against corruption and sloth. More than 30 of the 80 heads of ministries or state committees have been retired or have moved to different posts. It is hoped that new blood in the bureaucracy will improve productivity.

A second important element in Gorbachev's strategy is investment policy; investment is to be concentrated on renovation rather than on new construction. Investment in machine building will be stepped up (probably at the expense of agriculture and energy) to accelerate the introduction of new technology and to improve labor productivity through mechanization and automation. Thus the growth rates planned for machine building, although ambitious, are not as high as Gorbachev initially wanted. Finally, Gorbachev

would like to accelerate the replacement of capital to speed up the retirement of obsolete equipment.

The third major thrust of Gorbachev's strategy is a set of economic reforms, some new and some building on earlier efforts. These include organizational changes, decentralization and the possible revival of reforms like the Shchekino experiment and labor brigades.

Gorbachev wants to streamline the administration of the economy. The ministries are under attack for excessive interference in enterprise affairs, blocking technical progress, and other abuses of power. Calls for their abolition or consolidation are based on the argument that the branch structure of management is inappropriate for a modern, technologically advanced economy. "Superministries" have been discussed, as well as the creation of a single Ministry of the National Economy to manage most of industry. Some changes have already taken place.

These organizational changes do not represent fundamental reform but rather reflect Gorbachev's view that only fine-tuning and streamlining of the system are needed. The consolidated ministries are to concentrate on long-term planning and technical progress, leaving day-to-day operations to the enterprises and production associations, the lowest level in the hierarchy. The middle level—industrial associations—is to be abolished, so that two-stage management will predominate.

The consolidation of ministries and the abolition of industrial associations mean more centralization at the top of the hierarchy. It is believed that this will improve strategic decision making, which will be the province of Gosplan (the State Planning Committee) and the new ministries. At the same time, there is to be more independence at the lowest level. The leadership is extending the 1984 economic experiment in five ministries to all industry by January 1, 1987.

Eventually, all enterprises and associations are to operate on a system of economic accountability in which they must pay all expenses, including investments, out of income. Their plans will be based on contracts with customers and suppliers and will be stable for five years. Contract fulfillment will take on increased importance as a performance indicator. Enterprises will have more voice in how to fulfill their plans and how to choose investment projects. The price system will become more flexible to accommodate this increased independence. Enterprises and associations will have fixed financial obligations to the state budget, giving them more incentive to earn high profits. Finally, new targets for quality and innovation and price

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²⁰*Ekonomicheskaya gazeta*, no. 47 (November, 1985), p. 2; Murray Feshbach, "Population and Labor Force," in Abram Bergson and Herbert S. Levine, eds., *The Soviet Economy: Toward the Year 2000* (London: George Allen and Unwin, 1983), p. 94.

"With Marxist states in the third world facing insurgencies or chronic instability and non-Marxist states requiring economic assistance that the Soviet Union does not supply, Soviet leaders appear to face difficulties not only in expanding but in maintaining their influence in the third world. . . . There is no indication, however, that the Soviet Union will pull back from its commitment to its Marxist allies in the third world."

The Soviet Union and the Third World

BY MARK N. KATZ

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SINCE the 1960's, the third world has become one of the major arenas of Soviet-American rivalry. The Soviet Union has had important successes in the third world—especially during the 1970's—but it has also had significant failures and even now experiences serious problems.

There has been a dramatic increase in the number of third world countries that have experienced Marxist-Leninist revolutions, coups or takeovers. These include North Vietnam and Cuba in the 1950's, South Yemen and the Congo in the 1960's, and South Vietnam, Kampuchea (Cambodia), Laos, Benin, Ethiopia, Mozambique, Angola, Afghanistan, Nicaragua and Grenada in the 1970's. Further, all these Marxist-Leninist regimes are pro-Soviet. The only pro-Chinese Marxist-Leninist government was the Pol Pot regime in Kampuchea that lasted from 1975 to 1978; then Vietnam invaded and replaced Pol Pot with a pro-Soviet Vietnamese puppet regime. Because of its ability to provide more economic and military assistance, Moscow has prevented new Marxist regimes from allying themselves with China, its main Communist rival.

In addition, over the years the Soviet Union has established close relations with non-Marxist states in the third world, signing treaties of friendship and cooperation with India, Iraq, Syria and North Yemen. And the Soviet Union has close military ties with Libya.

But Soviet leaders have also experienced setbacks with non-Marxist (or in some cases, quasi-Marxist) regimes. Pro-Soviet radical leaders have been overthrown and replaced by more conservative leaders in countries like Ghana, Mali and Chile. During the

1970's, Egypt and Somalia abrogated their treaties of friendship and cooperation with Moscow and expelled all Soviet advisers. Other countries that once had close ties to the Soviet Union did not break with them dramatically, but gradually their friendly relations cooled. Among these countries are Guinea, Guinea-Bissau, Algeria, Burma, Uganda and Peru.

Soviet leaders soon noticed that they could not rely on non-Marxist-Leninist regimes either to "continue on the path toward socialism" or to remain allies of the Soviet Union.¹ Without strong influence over these regimes, the Soviet Union could not prevent them from following their independent national interests, which often differed from Soviet interests. And attempts by the Kremlin to exert influence over these non-Marxist regimes in order to keep them allied to the Soviet Union backfired and led them to improve their ties to the West instead.

By the mid- to late 1970's, many Soviet writers concluded that the only reliable third world regimes were "states of socialist orientation."² Each of these states had a Marxist-Leninist vanguard party in power and often had a treaty of friendship and cooperation with the Soviet Union as well.³ Most had institutions similar to those of the Soviet Union and other Communist regimes: a Marxist-Leninist party with a Politburo, Secretariat and Central Committee; an intelligence service, usually organized by the East Germans; a corps of political officers in the ranks of the armed services; a "popular militia" that could serve to counter a coup attempt by the army; and a central planning organization and economic ministries to insure state control over most (if not all) of the economy. A country with these institutions and a large number of Soviet, Cuban and East German economic and military advisers was much less likely to change its foreign policy orientation.

Soviet leaders can indeed boast that no third world country ruled by a pro-Soviet Marxist-Leninist vanguard party has ever been overthrown by internal forces. The one such regime that did fall from power recently—Grenada's—was overthrown not by internal forces but by a foreign invasion.

¹For an examination of Soviet writing on this issue, see Mark N. Katz, *The Third World in Soviet Military Thought* (Baltimore: Johns Hopkins University Press, 1982), pp. 133-136.

²For a discussion of the concept of "states of socialist orientation," see Francis Fukuyama, *Moscow's Post-Brezhnev Reassessment of the Third World*, R-3337-USDP (Santa Monica: Rand Corporation, February, 1986), pp. 83-85.

³Colonel G. Malinovsky, "National'no-osvoboditel'noe dvizhenie na sovremennom etape," *Voenno-istoricheskii zhurnal*, no. 24 (December, 1979), pp. 25-36.

Nevertheless, these states of socialist orientation present serious problems for the Soviet Union. In six Marxist regimes (Afghanistan, Angola, Kampuchea, Ethiopia, Mozambique and Nicaragua) there are insurgencies that the regimes have been unable to defeat. Troops from established socialist states have sometimes intervened (witness the Cubans in Angola, the Vietnamese in Kampuchea and the Soviet Union in Afghanistan), but these troops have been unable to defeat the insurgents.⁴

RIVAL FACTIONS

Another such state—South Yemen—does not face an insurgency, but has experienced chronic infighting among rival factions of the Marxist leadership. This rivalry erupted in fierce fighting in January, 1986; up to 10,000 were reported to have died; and fighting could break out again in the future.⁵ Finally, all third world countries ruled by Marxist-Leninist parties, including long-established regimes like the regimes of Vietnam and Cuba, are experiencing severe economic difficulties. Their attempts to construct a socialist economy has led to economic stagnation.

While the "socialist commonwealth" greatly expanded in the 1970's, the weakness and unpopularity of the newer Marxist-Leninist regimes meant that the Soviet Union and its allies have had to support them; in some cases this support has been necessary just to keep them from being overthrown. At a time when the Soviet Union itself is facing severe economic difficulties, this is a costly and seemingly unending burden. Soviet academic writers have commented on the poor economic performance of the states of socialist orientation compared to the states of capitalist orientation in the third world. There seems to be general acknowledgement that the socialist states pose significant problems for the Soviet Union. In addition, some observers argue that the Soviet Union should put greater emphasis on making friends with

the more stable nonsocialist third world governments on the basis of common interests, if not common ideology.⁶

There is no indication, however, that the Soviet Union will pull back from its commitment to its Marxist allies in the third world. Although Soviet military writers seldom discuss openly the insurgencies taking place against third world Marxist-Leninist regimes, their writing about insurgencies in general indicates that they believe counterinsurgency operations can succeed.⁷ Even some of the "regional peace proposals" the Soviet Union has made for countries like Afghanistan are designed to end external support for the opposition movements while leaving the Marxist regime firmly in power.

Will the Soviet Union succeed in helping its weak Marxist allies in the third world to defeat the opposition movements they are fighting and to establish their power? Will the Soviet Union be able to assist Marxist revolutionaries to come to power in other countries (an event that has not yet happened in the 1980's)? And will Soviet leaders expand their relations, especially in the military sphere, with non-Marxist third world states?

THE MIDDLE EAST

In the Middle East, Moscow's closest allies are Syria, Libya, Iraq and South Yemen. Of these, only South Yemen has a Marxist-Leninist government. Iraq and Syria are ruled by rival branches of the Baath party; Libyan leader Muammar Qaddafi espouses his own brand of Islamic socialism.

Soviet support of the Arabs and United States support of the Israelis in the Arab-Israeli conflict have won many friends for the Soviet Union in the Arab world. But the Soviet Union has also experienced many disappointments, particularly President Anwar Sadat's expulsion of all Soviet personnel from Egypt. Moscow's relations with Egyptian President Hosni Mubarak are cordial, but hardly friendly. Some conservative Arab states like Jordan and Kuwait have purchased Soviet arms; yet these countries have strictly limited their ties to Moscow. The Arab monarchies, in particular, have no illusion about whether the Soviet Union would help their internal opponents overthrow them if possible.⁸

The Iran-Iraq War has complicated Soviet policy in the Middle East; although Moscow has supplied Baghdad with substantial military assistance (especially after Iranian forces crossed into Iraq in 1982), Moscow's close allies, Libya and Syria, have backed Iran. Other Arabs have criticized the Soviet Union for providing arms to Libya and Syria without the condition that they cannot retransfer the arms to Iran.⁹ Further, because of Moscow's initial neutrality in the Iran-Iraq War and its continued support of Iraq's archrival, Syria, Iraq has turned toward the West in

⁴On these insurgencies, see Mark N. Katz, "The Anti-Soviet Insurgencies," *Orbis* (Summer, 1986).

⁵John Kifner, "Battle for Southern Yemen: How the Fury Began," *The New York Times*, January 30, 1986, p. A4.

⁶For an examination of Soviet academic writing on this subject, see Jerry F. Hough, *The Struggle for the Third World: Soviet Debates and American Options* (Washington, D.C.: Brookings Institution, 1986), chapt. 4.

⁷See for example Major General M. Fesenko, "Ognevoe parazhenie nazemnykh sredstv PVO," *Voenno-istoricheskii zhurnal*, no. 5 (May, 1984), pp. 66-73; and Admiral P. Navoitsev, "Deistviia VMS protiv berega," *Voenno-istoricheskii zhurnal*, no. 8 (August, 1984), pp. 47-52.

⁸On the Soviets and the Middle East, see Robert O. Freedman, *Soviet Policy toward the Middle East since 1970*, 3d ed. (New York: Praeger, 1982); and Mark N. Katz, *Russia and Arabia: Soviet Foreign Policy toward the Arabian Peninsula* (Baltimore: Johns Hopkins University Press, 1986).

⁹See for example Kuwait's *Al Watan*, January 4, 1986, pp. 14-16, in Foreign Broadcast Information Service, *Soviet Union*, January 7, 1986, p. H15.

recent years. Baghdad has obtained arms from France; and it restored ties with the United States in late 1984. But since Iraq relies mainly on Soviet arms, it cannot afford to become estranged from the Soviet Union, at least while the war continues.¹⁰

The prospects for Marxist revolution in the Middle East appear dim, because the main opposition to Middle Eastern governments has been dominated by Islamic fundamentalists, not leftists. No fundamentalist Islamic movement appears to be in a position to seize power at present. But if an Islamic regime were able to topple a pro-American regime, the Soviet Union would be pleased, because United States influence would be reduced. An Islamic regime, however, would not necessarily be pro-Soviet, as revolutionary Iran has shown. In addition, Islamic fundamentalist movements like the Muslim Brotherhood in Syria can threaten pro-Soviet regimes as well as pro-American ones.

The Soviet Union has made slight progress in increasing its cooperation with non-Marxist regimes in the Middle East since General Secretary Mikhail Gorbachev came to power. Oman and the United Arab Emirates both recognized the Soviet Union for the first time in 1985. But in the Arab world there is no longer much hope that the Soviet Union will provide the Arabs with the wherewithal to defeat Israel; nor does the Soviet Union seem ready to help them develop economically. However, while the Soviet Union may not give the Arabs as much as they want when there is actual fighting between them and Israel, the Soviet Union has little interest in seeing peace established between the Arabs and the Israelis. Other analysts have argued that if such a peace were established, the Arab states would have less need for the Soviet Union because they would have less need for Soviet weapons and more need for the kind of economic assistance that is available mainly from the West.

Whether this argument is valid will not be known unless or until there is a general peace in the Middle East. However, the Soviet Union has been willing to give more help to those Arab states and groups—like Syria, Libya and radical Palestinian factions—that have been least willing to compromise with Israel. As long as the Arab-Israeli conflict remains unresolved and the United States continues to support Israel, the Soviet Union is likely to retain some allies in the Arab world and perhaps gain others.

SOUTH ASIA

Another article in this issue is devoted to Soviet aims in Afghanistan. It is sufficient to note here that since the Soviet invasion of Afghanistan in 1979 to protect the tottering Marxist regime, the Soviet Union has been unable to defeat the mujahideen, and the mujahideen have been unable to drive Soviet troops out of their country.

The prospects for Marxist revolution in South Asia are not good. Soviet leaders may hope that Pakistan's General Mohammad Zia ul-Haq will be overthrown or replaced by opposition leader Benazir Bhutto or someone else who might be less willing to help the mujahideen in Afghanistan. The mujahideen's resistance would be hampered without the sanctuaries provided in Pakistan's North-West Frontier Province and the aid that is channeled through Pakistan.

The Soviet Union has friendly relations with India; it continues to sell weapons to India and to license India to produce Soviet weapons, like MiG's. New Delhi sees Moscow as a useful ally against Pakistan and China, its main rivals. And even though the Indian government under Indira Gandhi indicated that it was not alarmed about the Soviet invasion of Afghanistan, India has been unhappy that it has failed to persuade the Soviet Union to withdraw its troops. Prime Minister Rajiv Gandhi's government has moved to improve relations with the United States. Although India is not likely to give up its close relationship with Moscow, there are significant differences between the two that will block Soviet efforts to become more closely allied with New Delhi.¹¹

SOUTHEAST ASIA

Although pro-Soviet Marxist regimes came to power in Vietnam, Kampuchea and Laos, the "domino theory" that other countries in Southeast Asia would also become Communist has so far proved false. Some of the nations of ASEAN (Association of Southeast Asian Nations: Thailand, Malaysia, Singapore, Indonesia, the Philippines and Brunei) have authoritarian regimes of questionable popularity, but most have experienced strong economic growth over the last decade and enjoy standards of living higher than those in Indochina.

There are Marxist guerrilla groups operating in Thailand, Malaysia and Burma, but these have—or once had—links with China rather than the Soviet Union. The Marxists in Burma control some territory, but the central government seems to be in no danger of falling. The Communist guerrillas in Thailand and Malaysia have been contained.

A growing Marxist insurgency in the Philippines is led by the New People's Army (NPA). Like the other Marxist groups in Southeast Asia, the NPA is Maoist, though its actual ties with China are tenuous. The NPA has reportedly turned down recent offers of Soviet support.¹² Toward the end of the Ferdinand Marcos

¹⁰Ties with the United States were broken in 1967. See Frederick W. Axelgard, ed., *Iraq in Transition: A Political, Economic, and Strategic Perspective* (Boulder, Colo.: Westview Press, 1986).

¹¹On the Soviet Union and South Asia, see Stephen P. Cohen, "South Asia after Afghanistan," *Problems of Communism*, vol. 34, no. 1 (January–February, 1985), pp. 18–31.

¹²Paul Quinn-Judge, "Philippine Insurgents Are Turning Down Soviet Support," *The Christian Science Monitor*, November 26, 1985, pp. 1, 12.

regime, the NPA was very strong, but Corazon Aquino's peaceful succession to power has limited the appeal of the NPA and has led to defections from its ranks. It is too early to tell whether the insurgency will come to an end, but it is apparently on the defensive.

As for the Soviet Union allying itself with the non-Marxist regimes of the area, this appears to be extremely unlikely as long as Vietnam occupies Kampuchea. At this writing, these nations see very little to gain from closer ties with the Soviet Union.¹³

AFRICA

In sub-Saharan Africa, three of Moscow's closest allies—Angola, Ethiopia and Mozambique—are fighting insurgent movements. In Ethiopia, guerrillas in Eritrea and other provinces are struggling to make their regions independent of Addis Ababa. In Angola and Mozambique, South African-backed guerrillas are attempting to overthrow the Marxist regimes. In all three cases, the Marxist regimes have thus far been unable to defeat the rebels.

The likelihood of Marxist revolution does not seem great in Africa, except in Namibia (where an insurgency led by the leftist South-West Africa People's Organization—SWAPO—continues), in South Africa (if the opposition to the government should become dominated by Marxists) and, perhaps, in the Western Sahara (although the Moroccan government is doing well against the Algerian-supported Polisario [Popular Front for the Liberation of Saguia el Hamra y Rio de Oro] guerrillas). Elsewhere in Africa, a Marxist regime might come to power through a coup d'état by a self-proclaimed Marxist-Leninist. But as the Soviet Union knows, such leaders are often overthrown themselves—unless the Soviet Union and its allies are able to gain enough influence to prevent this.

The Soviet Union has also befriended non-Marxist states in Africa, usually providing them with military assistance. But non-Marxist African states desperately need the economic assistance that the Soviet Union has been unable or unwilling to provide. Only

the West can provide this aid. Thus while non-Marxist African states may want to receive Soviet weapons on concessional terms, they have little incentive to become so close to the Soviet Union that they alienate Western donors.¹⁴

LATIN AMERICA

In Latin America, the Soviet Union's oldest and best ally is Cuba, where Fidel Castro came to power in 1959. Cuba has long been a stable Marxist state and does not face a sustained insurgent movement. Since 1979, Nicaragua has had a Marxist regime against which "contra" revolutionary forces are still fighting.

There were several Marxist insurgencies in Latin America in the 1960's; but these all failed; witness Bolivia, Venezuela, Colombia, Guatemala and the Dominican Republic. The most likely candidates for Marxist revolution in Latin America in 1986 are those Central American nations near Nicaragua: El Salvador, Guatemala and Honduras. However, guerrilla activity in these countries peaked around 1981; since then, Marxist forces have usually been on the defensive. Whether or not Marxism eventually comes to Central America remains to be seen, but the guerrillas will have to increase their activity there a great deal in order to succeed.¹⁵

Elsewhere in Latin America, the Sendero Luminoso (Shining Path) has unleashed a campaign of terror in Peru. This group, however, claims to be Maoist, and the Soviet Union has a long-established arms relationship with the Peruvian government.¹⁶ Marxists are also believed to be gaining strength within the Chilean opposition, although this group is not yet in a position to overthrow the military government of General Augusto Pinochet. Marxist revolution is apparently not a significant threat to the larger, more developed Latin American nations. To the smaller, weaker nations threatened by Marxism, the United States can be more of a hindrance and the Soviet Union less of a help simply because of geography.

With regard to the non-Marxist states of the region, Latin America provides the Soviet Union with many potential friends because, above all others, this area traditionally tried to avoid "United States imperialism." But like other regions of the third world, Latin American governments are interested in obtaining

(Continued on page 339)

¹³On Soviet policy in Southeast Asia, see United States Congress, House Committee on Foreign Affairs, *The Soviet Union in the Third World, 1980-85: An Imperial Burden or Political Asset?* 99th Congress, 1st session (Washington, D.C.: U.S. Government Printing Office, 1985), pp. 104-121.

¹⁴On the Soviets and Africa, see Peter Clement, "Moscow and Southern Africa," *Problems of Communism*, vol. 34, no. 2 (March-April, 1985), pp. 29-50; and Paul Henze, *Rebels and Separatists in Ethiopia: Regional Resistance to a Marxist Regime*, R-3347-USDP (Santa Monica: Rand Corporation, December, 1985).

¹⁵On the Soviet Union and Latin America, see Cole Blasier, *The Giant's Rival: The USSR and Latin America* (Pittsburgh: University of Pittsburgh Press, 1983).

¹⁶On the Sendero Luminoso, see Cynthia McClintock, "Sendero Luminoso: Peru's Maoist Guerrillas," *Problems of Communism*, vol. 32, no. 5 (September-October, 1983), pp. 19-34.

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"Over the last six years, there are signs of a draw in the Afghan war, in spite of an increase in Soviet force levels from an estimated 80,000 troops in 1979 to a range of between 118,000 . . . and 225,000 . . . by the end of 1985. . . ." In 1986, "the Soviet Union has intensified its military operations; [recent] trends do not signal optimism for a political solution in the foreseeable future."

The Continuing Soviet War in Afghanistan

BY NAKE M. KAMRANY

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AFGHANISTAN has been resisting Soviet occupation since December, 1979. Despite increasing Soviet brutality, the Afghan resistance has been resilient, and the issue of Afghanistan has aroused the emotions and consciousness of many observers in the West and the third world.¹ Thus it is increasingly difficult for the Soviet leadership to ignore the issue of Afghanistan.

Soviet soldiers serving in Afghanistan are required to sign a secrecy agreement regarding their duties there. But it is increasingly difficult for the Soviet leadership to keep Afghanistan a "secret war," with more than

¹The number of private groups concerned about Afghanistan now run into the hundreds worldwide; in November, 1985, 122 member governments of the United Nations General Assembly voted to demand "foreign" troop withdrawal from Afghanistan.

²Estimates of Soviet casualties in Afghanistan vary considerably. Mujahideen sources estimate 60,000 Soviet dead and 90,000 wounded; 7,500 tanks and armored vehicles have been damaged and 750 airplanes and helicopters have been downed. For alternative casualty figures see Pierre Allen and Albert A. Stahel, "Tribal Guerrilla Warfare against a Colonial Power: Analyzing the War in Afghanistan," *The Journal of Conflict Resolution*, December, 1983.

³Nake M. Kamrany, "The Effects of Soviet War upon Afghanistan's Economy" (Paper delivered at the fourteenth annual conference on South Asia, University of Wisconsin, Madison, November, 1985); B. Karkow, "Bundestag Condemns Soviet War in Afghanistan," *The Week in Germany* (New York), March 27, 1986; and Jamila Luijckx and G. J. Wennik, "A Million Deaths since 1979: Who Cares for Afghanistan?" *Writer's Union of Free Afghanistan* (Peshawar, Pakistan) (hereafter *WUFA*), vol. 1, no. 1 (1985).

⁴For violations of human rights see the following two reports which were submitted to the United Nations by Felix Ermacora, the special rapporteur of the Commission on Human Rights, United Nations General Assembly, "Questions of Human Rights and Fundamental Freedoms in Afghanistan," UN, A/C.3/40/L.48/Rev. 1, December, 1985; and United Nations General Assembly, "Report of the Economic and Social Council, Situation of Human Rights in Afghanistan," A/40/843, November, 1985. A follow-up report on February 26, 1986, by the United Nations Human Rights Commission in Geneva charged that Soviet troops in Afghanistan killed 35,000 civilians in 1985. Brutality characterized the conflict, including torture, use of antipersonnel mines, booby-trap bombs and toy bombs. See *The New York Times*, February 27, 1986.

15,000 Soviet soldiers dead, 45,000 wounded and some 650,000 Soviet soldiers thus far rotated in Afghanistan.²

More than 5 million Afghans have emigrated into neighboring Pakistan and Iran; 1 million civilians have lost their lives; some 15,000 villages and hamlets have been destroyed or damaged; 53 percent of the rural inhabitants have been moved out of their villages; gross domestic product losses have been estimated at \$12 billion; and damage to the productive capacity of the country has been enormous. Ten million livestock have been killed. The country's roads, including 4,300 kilometers of asphalt highways, have been damaged. It will take decades and billions of dollars in resources to rebuild Afghanistan.³

The cost of the war in lost opportunities is incalculable. Afghanistan's prewar inflation rate of around 4 percent per year has increased to a range of between 600 and 1,000 percent. Most Afghans have shifted from civilian production to war activity. The Marxist government in Kabul has decreed a wage differential of five to one in favor of military over civilian wages. The massive terrorism and cultural genocide are reminiscent of Mongol tactics in the thirteenth century, which permanently changed Afghan society. The Soviet Union has mustered all its military ability to destroy Afghanistan's social, cultural and religious legacy.⁴

POLITICAL PENETRATION

Of the nations bordering the Soviet Union today, all but Afghanistan had a Communist party within six years of the 1917 Russian Revolution. Before 1948, the Soviet Union invaded or attempted to invade Afghanistan four times; but Great Britain effectively frustrated these attempts. After 1953, Soviet leaders developed a strategy for the political penetration of Afghanistan.

In 1953, after Mohammed Daoud became Prime Minister, the Marxists penetrated his government. Thereafter Soviet leaders substantially strengthened the power of Daoud's central government vis-à-vis the traditional sector and aligned themselves with "the educated elite." Daoud was forced to resign in 1963,

because King Zahir Shah wanted to democratize the system, move away from the Soviet Union, and normalize relations with Pakistan. Between 1963 and 1973, some 26 private newspapers appeared, and several unofficial political parties emerged. The People's Democratic party of Afghanistan (PDPA) was established on January 1, 1965, by a conclave of 27 men gathered at the modest home of a writer and poet, Nur Mohammed Taraki. During that same decade, while Afghanistan moved toward a constitutional monarchy and a democratic form of government, the Marxists were not able to gain more than two percent of the seats in the Assembly (shura).

But the Afghan desire for modernization and economic development led Afghanistan to accept Soviet influence as early as 1953. The monarchy and the educated elite were lured by the Soviet Union through substantial long-term financing of successive five year plans beginning in 1956. The Soviet objectives were to shift Afghanistan's trade to the Soviet-bloc countries, to increase the relative share of the Afghan public sector, to create public monopolies, and to superimpose a modern sector on the traditional economic sector. Beginning in 1953, Soviet aid was massive. Afghanistan received the highest per capita aid of any third world nation. From 1953 to 1978, before the establishment of a Marxist government, Afghanistan received more than \$3 billion in Soviet aid, including some 120 projects.⁵

Most Soviet programs were designed to serve Soviet long-term political and military objectives. Afghan roads and airports were designed for future Soviet military use. In fact, the silos and hospitals built by the Soviet Union in the 1950's and 1960's were used in the 1980's by the Soviet military in Kabul. Natural gas, minerals, fruits and other resources were exported to the Soviet Union at prices substantially below international prices.

The Soviet penetration of the Afghan economy and Soviet efforts to preempt Western competition included a favorable exchange rate and program aid rather than project aid. (Under program aid, large budgets were approved for financing several projects without the necessity of justifying each project.) Other Soviet tac-

tics included free transit through Soviet territory, visible and popular programs, underbidding on projects, low interest rates, liberal rescheduling of loans, a substantial grace period, Soviet technicians to complete the programs, provisions for generous scholarships, training programs, and specific job-related technical training for Afghans in the Soviet Union.⁶ Trade with the Soviet Union went from 7 percent in 1921 to over 70 percent in 1985. In general, the Soviet Union succeeded in penetrating the Afghan economy and created a dual economy that weakened the traditional sector, where more than 90 percent of the population lived and worked.

MILITARY PENETRATION

The Soviet Union also attempted to dominate Afghanistan by means of military aid. Military aid began in 1956 (\$32 million), and by 1963 it had reached \$100 million. The Soviet Union recruited disgruntled Afghan junior officers. By the time of the first Soviet-aided and sponsored military coup in 1973, more than 7,000 Afghan officers had been trained in the Soviet Union.⁷ The Afghan military set up former Prime Minister Daoud as a figurehead and then overthrew him in 1978 to set up a Marxist government controlled by the Soviet military. After the 1978 coup, more than 4,000 non-Marxist military officers were purged.

The People's Democratic party of Afghanistan set the stage for the Sovietization of the country. The PDPA's policies were similar to the Soviet Union's draconian domestic policies of 1918 and Stalin's campaign of terror in 1936. In the countryside, the government tried to introduce land reform. In the cities, the people were forced to attend weekly indoctrination programs. Those in opposition were jailed or executed.

When these measures touched off a civil war, the government organized popular demonstrations in support of the regime and promised better food, clothing and housing as well as a new constitution. Still the insurgency continued to grow, and in December, 1979, the Soviet Union invaded Afghanistan to maintain a Marxist government.

SOVIET STRATEGY SINCE THE INVASION

After the invasion, the Soviet Union used a three-pronged approach to Sovietize Afghanistan.

First, it depopulated the rural areas to stop the resistance. But while the rural areas have lost 53 percent of their population through emigration and death, depopulation has not wiped out the resistance.

Second, Soviet leaders tried to exploit internal weaknesses. The population is reminded of language, ethnic and racial diversity. However, Soviet efforts to intensify this diversity backfired because the Marxist groups of Parcham and Khalq are also divided along

⁵Patrick J. Garrity, "The Soviet Penetration of Afghanistan," Occasional Paper no. 4 (Claremont, Calif.: The Claremont Institute, 1982); Nake M. Kamrany, "The First Five Year Plan of Afghanistan," *The American Economist*, vol. 8, no. 4 (1964); M. S. Noorzoy, "Long-Term Economic Relations between Afghanistan and the Soviet Union," *International Journal of Middle East Studies*, vol. 17 (1985).

⁶Nake M. Kamrany, "Soviet Economic Aid Strategy in Underdeveloped Countries," *Communist Affairs*, vol. 11, no. 3 (1963). See also Nake Kamrany and Leon Poullada, *Peaceful Competition in Afghanistan* (Santa Monica: Fundamental Books, 1986).

⁷See A. Rasul Amin, "The Sour Revolution?" *WUFA*, vol. 1, no. 2 (January/March, 1986). At least 80 percent of the 1973 coup leaders took part in the 1978 coup.

ethnolinguistic and religious lines. This partly explains the intraparty blood feuds and lack of unity among the Marxist leadership.

Third, there has been an effort to redesign the Afghan system of government to bring it into conformity with the Soviet mold.⁸ From 1980 to 1984, about 47,000 Afghans were sent to the Soviet Union for training and education and an additional 7,000 were sent to East Germany, Bulgaria and Cuba. More than 10,000 children are sent to the Soviet Union each year for indoctrination. These Afghans are expected to take over middle and top government posts. There is a continuous purge of old party and government officials whose ethnic and cultural values cannot be trusted. However, efforts to Sovietize Afghanistan have thus far failed.

Over the last six years, there are signs of a continued draw in the Afghan war, in spite of an increase in Soviet force levels from an initial 80,000 troops in 1979 to a range of between 118,000 (United States estimate) and 225,000 (mujahideen estimate) by the end of 1985, with several divisions stationed north of the border.⁹ The cost to the Soviet Union of the Afghan war has been estimated to have increased from \$2 billion in 1980 to over \$12 billion in 1985. Several hundred helicopters and military planes have been shot down; thousands of armored vehicles and tanks have been destroyed.¹⁰ Even if the Soviet Union were to increase its troop level to 300,000 or more, the nature of the draw would not be appreciably altered. In 1985 and in the spring of 1986, when the Soviet Union escalated military operations, the resistance fought back effectively; in a short time, Soviet military forces lost whatever they had gained.

Desertion and casualties in the Afghan army have reduced its troop level from an initial 90,000 to 25,000.

⁸Sayd B. Majrooh, *Monthly Bulletin, Peshawar* (Peshawar, Pakistan: Afghanistan Information Center, 1985).

⁹See Bob Horton, "Afghanistan: A Holy War Stalemate," *U.S. News and World Report*, September 23, 1985; and the articles by Milan Hauner, Alex Alexiev, Anthony Arnold and Robert Canfield in "The War in Afghanistan," a special issue of *Orbis*, Spring, 1985.

¹⁰Casualty figures for 1984 estimated by mujahideen sources are as follows: 42,000 civilian deaths, 22,612 civilians arrested, 5,945 Soviet soldiers dead, 4,579 government soldiers dead, and 1,679 mujahideen dead. For estimates of the cost of the war, see Nake M. Kamrany and Leon Poulada, *The Potential of Afghanistan's Society and Institutions To Resist Soviet Penetration and Domination* (Santa Monica: Fundamental Books, 1985); and Joseph J. Collins, "The Soviet Afghan War," in Robert E. Harkavy and S. G. Neumann, eds., *The Lessons of Recent Wars in the Third World* (Lexington, Mass.: D. C. Heath, 1985).

¹¹Oswald Johnston, "Reagan Renews Backing for Anti-Soviet Guerrillas," *Los Angeles Times*, November 24, 1985. Also see "Afghanistan Will Become 'Festering Thorn,' Soviets Warned," *Los Angeles Times*, December 14, 1985.

¹²Kamrany and Poulada, *The Potential of Afghanistan's Society*.

Soviet troop desertion has increased over time and some soldiers from Muslim Soviet Turkistan have joined the resistance. In 1985, the Soviet military escalated both the quantity and the quality of its military operations in Afghanistan. Major military operations were carried out in Khost, Gardez, Kandahar, Wardak, Panjshir and Nangarhar. But Soviet military forces failed to seal logistical support routes to the mujahideen; they were unable to safeguard urban centers, including Kabul and the airports; and they failed to enlarge the number of people or the areas under Soviet control. The Soviet Union can prolong its occupation of Afghanistan only if it commits additional resources and accepts more casualties. Soviet leaders are aware that an increase in military operations will increase Soviet casualties and will perhaps create considerable dissatisfaction inside the Soviet Union. President Ronald Reagan has indicated that unless the Soviet Union is serious about a political solution and sets a timetable for troop withdrawal, the United States will continue to provide support to the Afghan resistance.¹¹

GENESIS OF THE RESISTANCE

The Afghan resistance is rooted in some 36,000 villages and hamlets encompassing all 29 provinces and all of Afghanistan's ethnolinguistic, tribal, religious and sociocultural groups. The 1979 invasion, which was triggered by the Soviet conception of the "correlation of forces" in the region, grossly miscalculated the Afghan tenacity for resistance.¹²

In 1978–1979, small groups of Afghans in the countryside opposed the ill-conceived Khalq reforms made by Presidents Taraki and Amin. The perception that the Marxist intrusion was ideologically inspired by atheistic Communists added fuel to the fire. Starting in some of the more remote regions of Afghanistan like Badakhshan, clusters of resistance began to emerge under the leadership of local chiefs and religious leaders.

When the Soviet Union invaded Afghanistan in 1979, the character of the resistance changed. The civil war became a national liberation movement, and the resistance spread. Local commanders emerged and became more powerful when defectors from the Afghan army provided recruits and Soviet arms. The émigré groups that began to function in Peshawar funneled material and moral support to the insurgents. The resistance controls most of the countryside and many cities at night. Resistance fighters have threatened and harassed Soviet supply routes and depots. They have blown up many airplanes at airfields. They have suffered many local reverses, but they have scored many local victories and have always reorganized.

Islam, the religion of more than 99 percent of the population in Afghanistan, gives the resistance not only the moral authority to sustain the holy war (*jihad*) but is a network for communication and coordination, and is the unifying element in what is otherwise not

a united resistance. The resistance groups in the Peshawar Valley, inside Afghanistan, and those in Iran all profess strong Islamic principles, whether they are Sunni or Shiite Muslims. The Peshawar groups, almost from their inception, have been divided along political lines.

The Jamiat-i-Islami i-Afghanistan headed by Burhanuddin Rabanni is the main non-Pushtun group, whose aim is a more equitable distribution of power between the ethnic non-Pushtun and the Pushtun groups. Gulbuddin Hekmatyar, the Amir of Hezb-i-Islami Afghanistan, A. R. Sayyaf, head of the Itihad-i-Islam, and Moulave Younis Khalis, head of another Hezb-i-Islami, contend that the political system of Afghanistan is an integral part of Islam and thus believe that the future political and social system must be defined in strict Islamic terms. These four groups are regarded as fundamentalists.

The more moderate or liberal alliance, known as Unity, is composed of three main parties led by S. Mojaddidi, Per Sayed Ahmed Gailani, and Mohammed Nabi Muhammedi, who represent the various Afghan tribes.

Shiite Muslims are also divided over political interpretation although in 1985, Iran's Ayatollah Hussein Ali Montazari, who has been chosen as the successor to Iran's supreme leader, Ayatollah Ruhollah Khomeini, formed a coalition among them. The resistance groups inside Afghanistan have aligned themselves with one or another of the outside groups either by choice or by necessity to obtain aid, although several groups have remained autonomous.

EXTERNAL SUPPORT

Initially, the entire cost of the resistance was borne by the Afghans. However, increasing external aid may frustrate the Soviet Union. Pakistan and Iran have provided critical sanctuary for over 5 million Afghans who settle their families in refugee camps and rotate in the battlefield. A large part of the cost (around \$2 million per day) is borne by these two countries. Moreover, Saudi Arabia, other Islamic countries, China, and the United States have provided covert

and, recently, overt aid, reaching about \$400 million in 1985.¹³ Unfortunately, it has been estimated that only between 15 and 20 percent of the military aid reaches the intended resistance groups fighting inside Afghanistan.¹⁴

A POSSIBLE COMPROMISE

As Nikolai Glasov of the Soviet Institute of World Economy and International Relations stated in November, 1985: "We are unhappy to have our forces in Afghanistan; . . . the whole tragedy of Afghanistan . . . dictates multiplying political effort to reach political settlement."¹⁵ The framework for a political settlement has been discussed repeatedly,¹⁶ and the UN General Assembly has called for a peaceful settlement of the Afghan question based on the withdrawal of Soviet troops, the restoration of the country's independent and nonaligned status, self-determination for the Afghan people and the safe return of all refugees.

Seven rounds of indirect talks between the Soviet-backed Afghan regime and Pakistan under United Nations auspices at Geneva starting in June, 1982, and ending in May, 1986, failed to produce a settlement. The negotiations are effectively deadlocked because the Soviet Union is unwilling to negotiate (through the Afghan representatives) the withdrawal of all Soviet forces on a definite and short-term timetable.

In 1986, the Soviet Union may have matured to admit defeat and withdrawal from Afghanistan. President Reagan noted that during the Geneva summit in November, 1985, Soviet General Secretary Mikhail S. Gorbachev seemed willing to seek a political solution to the war in Afghanistan. Mohammed Zia ul-Haq, the President of Pakistan, also believes that the Soviet Union is interested in reaching a political solution.

However, in 1986, the Soviet Union has intensified its military operations. In the spring, the Soviet Union employed its elite commando units to cut off supply lines across the Pakistan border. And in April, 1986, the Soviet-installed President Babrak Karmal was replaced by Najibullah, the former head of the Afghan secret police, who is viewed as more of a hard-liner than Karmal. These trends do not signal optimism for a political solution in Afghanistan in the foreseeable future. ■

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¹³*Los Angeles Times*, November 23, 1985, p. 22. It has been reported that more than 50 percent of the aid to the Afghan resistance never reaches its target; see *Time*, December 9, 1985, and Kamrany and Poullada, *The Potential of Afghanistan's Society*.

¹⁴*Los Angeles Times*, December 2, 1985, p. 2.

¹⁵Presummit statement in Geneva, reported by the *Los Angeles Times*, November 17, 1985.

¹⁶For an extended discussion of alternatives, see Kamrany and Poullada, *The Potential of Afghanistan's Society*; Ralph Magnus, ed., *Afghanistan Alternatives: Issues, Options and Politics* (New Brunswick, N.J.: Rutgers University Press, 1983); Sellig S. Harrison, "Afghanistan Stalemate: 'Self-Determination and a Soviet Force Withdrawal,'" *Parameters*, vol. 14, no. 4 (Winter, 1984); and several issues of *Afghanistan Times*, 1980-1983.

BOOK REVIEWS

ON THE SOVIET UNION

THE SOVIET PARADOX: EXTERNAL EXPANSION, INTERNAL DECLINE. *By Seweryn Bialer.* (New York: Knopf, 1986. 391 pages, notes, bibliography and index, \$22.95.)

Those unfamiliar with Bialer's work on the Soviet Union might be misled by his subtitle to think that this book is a prescription for the demise of the Soviet Union. Unlike Richard Pipes, Bialer does not believe that the Soviet Union is in such a precarious political and economic position that American economic, technological and military pressure can cause the collapse of the Communist state. His book, which is an excellent review and analysis of the Soviet Union's political, economic, military and foreign policies, calls instead for "managed rivalry" between the superpowers. Bialer's discussion of the Soviet Union's internal and external policies begins with the Stalin era and ends with an incisive analysis of Gorbachev's actions.

W.W.F.

TECHNICAL PROGRESS AND SOVIET ECONOMIC DEVELOPMENT. *Edited by Ronald Amann and Julian Cooper.* (New York: Basil Blackwell, 1986. 214 pages, notes and index, \$45.00.)

The Soviet leadership has focused on technological innovation as a primary means to stimulate the economy. Most Western Soviet specialists are pessimistic that technological innovation will have either as large an effect on the Soviet economy as the Soviet leadership believes or that it is possible for the Soviet Union to develop or even import the technology required to move the Soviet economy to the twenty-first century. This accepted view is expertly discussed in this volume of essays, most notably by Ronald Amann.

Another point of view is also represented: that the Soviet Union will adapt, albeit slowly, to the technological challenge without dismantling its centralized economic structure. Julian Cooper's article is representative of this position, as are Paul Snell's and Anthony Rimmington's. Snell's and Rimmington's respective articles on the state of Soviet computing technology and biotechnology offer new information and analysis of Soviet advances in these fields. Snell's essay is especially significant because he finds the computer technology available in the Soviet Union much more advanced than is generally believed. There are many 16-bit microprocessors in use and Snell believes that the Soviets have also designed a 32-bit microprocessor.

W.W.F.

SOVIET POWER AND THE THIRD WORLD. *By Rajan Menon.* (New Haven: Yale University Press, 1986. 261 pages, notes and index, \$20.00.)

Rajan Menon, a *Current History* contributing editor, has written an excellent guide to the Soviet Union's relationship with the third world. He explores the Soviet rhetoric and academic discussions that have surrounded Soviet military and political activities in the third world. While Menon does not believe the Soviet Union is a benign presence in the third world, he does show that Soviet policy toward third world revolutionary regimes is complex, varied and not driven solely by Marxist-Leninist ideology.

W.W.F.

SHOOTDOWN: FLIGHT 007 AND THE AMERICAN CONNECTION. *By R. W. Johnson.* (New York: Viking, 1986. 335 pages, notes, photographs and index, \$15.95.)

Dismissed as an anti-Reagan tirade and trivialized by the publisher's "money-back" guarantee to those who do not accept the book's conclusions, *Shootdown* has been hastily defined as an eccentricity. But Johnson, a Fellow at Oxford, is anything but eccentric in his judicious reconstruction of the details surrounding the shooting down of the civilian Korean airliner by the Soviet Union. Johnson has two provocative conclusions: that the Soviets did not know they were shooting down a civilian plane and that the plane intentionally strayed over Soviet territory as part of a surveillance mission. Of course, the United States rejects both conclusions, and those who would accept the first conclusion find the second impossible even to postulate.

Johnson is adamant, however, that these conclusions do not excuse the Soviet Union's decision to shoot down the plane: "No excuse is good enough" to justify the attack. Moreover, Johnson is not wedded to his conclusions for ideological reasons; he only believes that his conclusions best fit the available evidence.

W.W.F.

THE FIRST SOCIALIST SOCIETY: A HISTORY OF THE SOVIET UNION FROM WITHIN. *By Geoffrey Hosking.* (Cambridge: Harvard University Press, 1985. 527 pages, chronology, bibliography and index, \$29.50.)

This is a competent, readable history of the Soviet Union from 1917 to 1984. Hosking is objective yet humane as he focuses on how Soviet society has developed under the enormous political and economic burdens to which it has been subjected.

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THE NEW LEADERSHIP

(Continued from page 312)

that "the process of redistributing rights and obligations [in the economy] . . . is going very poorly." "Even when only the functions of managerial organs are changed," he said, "some executives strive to preserve their command privileges by any means. . . ." The force of "inertia" was "still strong," and further changes would require "much effort and serious changes in the thinking" of the bureaucracy and the population. It was "naïve to expect that the lags and shortcomings that had been accumulating for years could be overcome in only a few months."

Gorbachev and his allies now maintain that successful reform requires not merely a formal decentralization of authority, but also a psychological "reorientation" (*perestroika*) of the entire bureaucracy as well, so that officials become accustomed to thinking independently, to taking initiatives, and to utilizing an authority that they are not used to exercising. Because this type of behavior is alien to Soviet political and administrative tradition, such a cultural revolution will not be easy to achieve soon. But forcing the bureaucracy to think and act independently is a contradiction in terms; it is the bureaucratic equivalent of Rousseau's dictum that those who do not understand the general will must be forced to be free. One cannot continue to base political and administrative authority upon hierarchical discipline while simultaneously enacting reforms aimed at dissolving the discipline of hierarchy. Economic reform, if it is to be successful, presupposes political reform.

Since coming to power, Gorbachev has attempted to cultivate an image of attentiveness to the people. On many occasions, he has spontaneously mixed with the population, fielding questions from the workers in a style akin to Khrushchev's. He has tried to tap popular dissatisfaction with the Brezhnev era by speaking boldly and openly of Soviet problems. This critical spirit has been mirrored to a certain extent in the media.

The scope and sharpness of criticism in the media in the months before the twenty-seventh party congress apparently unnerved party conservatives. Ligachev, for instance, noted at the congress that "some

†On July 20 the Politburo reported that the accident at the Chernobyl plant was caused by an "unauthorized" experiment. On August 21, the Soviet government issued a 382-page report releasing further information about the accident. In parts of a 1,000-square-mile evacuation zone, topsoil is being buried as nuclear waste. The death toll has reached 31; 203 people are being treated for radiation sickness; 135,000 have been evacuated from an 18-mile zone around Chernobyl. See *The New York Times*, August 22 and August 27, 1986. For excerpts from the Soviet report, see *The New York Times*, August 22, 1986. See also editor's note in this issue, page 326.

¹¹*Izvestia*, June 22, 1986, p. 1.

papers, including the editorial board of *Pravda*, unfortunately committed mistakes" in the pre-congress discussions by allowing their criticism to stray beyond the bounds of the permissible. To those issuing calls "to speak a little more carefully" about Soviet problems, lest criticism become a weapon in enemy hands, Gorbachev responded with "only one reply: always and under all circumstances, Communists need the truth." He called for a policy of "openness" (*glasnost*), "when everything that is done in the state and in society is subject to the inspection of the people and is visible to the people." Symbolic of this policy, the party's charter was amended to permit the selection of new party members at open meetings in which non-party members are allowed to participate.

"Openness" has been perhaps most apparent in literature and the arts. Since the party congress, a major shake-up has taken place within the cultural bureaucracy. Calls have been issued for the publication of previously banned books and the release of previously censored movies, and in some cases commissions have been established by the artistic unions themselves to review censorship policies. These stirrings have marked a significant change in atmosphere. They should not be confused, however, with a genuine liberalization. The policy of "openness" is clearly not one of openness for the sake of openness, but is rather one of openness subject to approval from above and in the interests of fulfilling officially sanctioned policies and tasks. For instance, the writers' congress that took place in June, 1986, would not have been so open had the order not come down from above that it be open. In fact, on the eve of the meeting, Gorbachev met with the writers and all but ordered them to be critical.¹¹ The Soviet government continues to be seized by a mania for excessive secrecy, and criticism is still not allowed to encroach on the political system or on the leadership and its interests. As President Andrei Gromyko put it at the twenty-seventh party congress, "criticism as an effective weapon of the party and the running down of honest Communists are not one and the same thing."

The limits of "openness" can be seen clearly in the Soviet reaction to the Chernobyl disaster. An explosion on the night of April 25, 1986, at the Chernobyl nuclear power plant touched off a fire that spewed a dangerous cloud of nuclear radiation over the Ukraine and Belorussia. Almost three days later, after the cloud had been detected by Swedish sensors, Soviet leaders released a 24-word official statement announcing that something had gone wrong. The first incomplete account of what took place at the plant was not published until ten days after the accident. Gorbachev did not address the nation about the disaster for three weeks. And Soviet officials refused to provide foreign countries with an estimate of the amount of radiation that escaped for seven weeks.†

The lesson of Chernobyl is that a policy of "openness" will remain meaningless so long as political leaders cannot be held accountable to society for their actions. As long as this is the case, abuse of power can always be masked. Yelena Bonner can be allowed to travel to the West for medical treatment; but Andrei Sakharov remains in exile in Gorky. Anatoly Shcharansky can be exchanged in an international spy swap; yet Jewish emigration remains at an all-time low. Writers may be given a longer leash in order to write about society's problems; but dissidents are arrested and harassed as diligently as ever.

Recent developments in the Soviet Union are reminiscent of Samuel Johnson's aphorism that, in order to survive, familiar things must be made to appear new, while new things, in order to be accepted, must be made to appear familiar. The Soviet Union does not change by leaps and bounds, but by accretion. Although a new generation may now be firmly in power, it too must struggle hard and long to overcome its past. ■

THE SOVIET UNION AND THE THIRD WORLD

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economic assistance, and this is not available from the Soviet Union to the same degree that it is from the West (although the Soviet Union has established strong commercial links with some Latin American nations, most notably Argentina). Non-Marxist Latin American governments are suspicious of Soviet intentions, since they perceive the Soviet Union as working actively to promote revolution against other Latin American governments. Only if there were a severe deterioration in United States-Latin American relations would the Soviet Union significantly improve its ties with the non-Marxist governments of Latin America.

CONCLUSION

The most obvious challenges to Soviet interests in the third world are the insurgencies being fought against pro-Soviet Marxist-Leninist regimes. Should such a regime be toppled by an indigenous opposition movement (and not by external intervention as in Grenada), the Soviet Union would lose an ally; and an important—and unwelcome—precedent would be set: for the first time, a guerrilla movement would have toppled a Marxist-Leninist regime in the third world. Other guerrilla movements might fight all the harder after seeing another guerrilla movement succeed. Fur-

ther, these guerrilla movements might receive increased Western aid, thus making it more difficult for the Soviet Union and its allies to defend Marxist regimes.

Western aid to these insurgent groups is a growing problem for the Soviet Union. The United States has given assistance to the Afghan guerrillas since the administration of President Jimmy Carter and has given aid to the Nicaraguan contras since the early years of Ronald Reagan's administration, but recently a "Reagan Doctrine" has emerged to give assistance to the opponents of other pro-Soviet Marxist-Leninist regimes in the third world.¹⁷

It is perhaps no accident that after Gorbachev came to power in the spring of 1985, even stronger counteroffensives were launched against the guerrillas in Nicaragua, Angola, Mozambique, Ethiopia and Afghanistan (the strongest Vietnamese offensive against the resistance in Kampuchea preceded Gorbachev's accession to power). In all these campaigns, the Marxist-Leninist regime (often with external assistance) made significant progress and the guerrillas were put on the defensive. In none of them, however, were the guerrillas defeated; thus they continue to pose a threat to Soviet interests.¹⁸

However, in another respect these insurgencies serve Soviet interests: as long as the opposition is never strong enough to seize power, its existence encourages the Marxist regime to rely on the Soviet Union and its allies. No other country is likely to supply the Nicaraguan, Angolan and Ethiopian governments with military assistance equivalent to that provided by Moscow and Havana even if these regimes were willing to expel the Soviet and Cuban troops. In Mozambique, Soviet and Cuban assistance has been limited—possibly because the Soviet Union and Cuba recognize that South Africa has too many advantages—and the Mozambicans have turned to Zimbabwe, Portugal and other Western countries for military aid. As a result, Soviet influence in Mozambique appears to have declined.¹⁹

This consideration might apply to Kampuchea as well: as long as Vietnam is bogged down fighting there, it will need Soviet military assistance. But Vietnam would probably continue to seek Soviet military assistance because of the hostility between Beijing and Hanoi. Similarly, the continuation of the conflict in Afghanistan does not help the Soviet Union; the Marxist regime there (like the one in Phnom Penh) is in no position to break from the intervening power that props it up.

With Marxist states in the third world facing insurgencies or chronic instability and non-Marxist states requiring economic assistance that the Soviet Union does not supply, Soviet leaders appear to face difficulties not only in expanding but in maintaining their influence in the third world. This is very different from the situation a decade ago, when Soviet influence

¹⁷On the "Reagan Doctrine," see Stephen S. Rosenfeld, "The Guns of July," *Foreign Affairs*, vol. 64, no. 4 (Spring, 1986), pp. 698-714.

¹⁸David B. Ottaway, "U.S. and Rebel Sources See Soviets Bolstering Support for Third World," *The Washington Post*, June 11, 1986, p. A36.

¹⁹Fukuyama, op. cit., pp. 69-75.

in the third world seemed to be expanding rapidly.

Yet there are still important avenues for Soviet expansion in the third world. There is no shortage of conflict between and within third world nations. Even when there is no clear East-West aspect to a particular conflict, it is often easier for third world nations to obtain weapons from the Soviet Union than from the West.

In addition, the possibility of Marxist revolutionaries coming to power must not be discounted. This could happen in countries that are very poor, have a right-wing regime, and have crushed the moderate opposition, leaving only armed extremists. These will not necessarily be Marxist to begin with, but if the Soviet Union and other Marxist states become their main source of political and military support, these movements could become dominated by Marxists.

Apparently, the Soviet Union did not anticipate that the new Marxist regimes that came to power in Asia, Africa and Latin America during the last decade would require so much assistance for so long just to remain in power. But if the Soviet Union can retain its present position in the third world and even expand it with moderate effort, it will try to do so. If the difficulties the Soviet Union is experiencing in the third world increase and if ever greater efforts are needed just to maintain Moscow's position, then the Soviet Union may be forced to make difficult decisions about which of its third world allies it will try to maintain and which are not so important. These are choices that the Kremlin would prefer not to face. ■

SOVIET DISSENT

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Israel; and, subsequently, more spouses of divided families have been given permission to leave the Soviet Union.

On the face of it, this would appear to be a promising start. On closer inspection, however, none of these moves seem to represent a fundamental policy change. On the contrary, each move has been an isolated, ad hoc exception to Soviet policies. In effect, Gorbachev has made four skillful and well-publicized humanitarian gestures to advance Soviet foreign policy purposes. Each highly symbolic gesture has been closely correlated with Gorbachev's efforts to improve relations with the West, particularly the United States.

The value of Gorbachev's gestures to the individuals involved and their families should not be minimized, but these acts remain anomalies to the still draconic Soviet policy on human rights. Bonner is now back in Gorky serving her sentence of internal exile; Sakharov's situation remains unchanged. Shcharansky is in Israel, but other prominent dissidents continue to serve their terms without respite, and Jewish emigration remains at low ebb. Finally, a couple of dozen families have been reunited, but other

spouses are still marooned in the Soviet Union.

If there is a Reagan-Gorbachev summit in the United States, another series of humanitarian gestures from the Soviet Union is likely, including perhaps an increasing outflow of Soviet Jews or the release from internal exile of Yuri Orlov, founder of the Helsinki watch groups. However, unless there is a major breakthrough between the Soviet Union and the United States on arms control, the activists and dissidents who might benefit from the next round of superpower summitry will probably be pawns of Soviet foreign policy rather than harbingers of a less repressive policy. ■

SOVIET TECHNOLOGY

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"conjunctural" acquisitions provide useful additional possibilities for the modernization of many sectors of the economy. For these acquisitions, questions of the Soviet Union's technological capacity in an absolute sense do not usually arise. If, as a matter of policy, Soviet leaders decided to produce equivalent technology using domestic R and D resources and production possibilities, the task could probably be fulfilled at an acceptable technological level and in a reasonable time, although not without opportunity costs.

In other cases, however, the domestic capability may not be adequate to the task, and acquisitions from the West are for practical purposes "nondiscretionary." The share of acquisitions of this type is difficult to determine, although the relatively low share of "high" technology in total Western exports suggests that it may not be large. In such cases, Soviet access is most likely to be frustrated by Western technology denial policies. Soviet reluctance to become dependent on the West in any major sphere of technology appears to have been strengthened by the experience of embargoes and the tightening of controls since the late 1970's. Western actions have undoubtedly stimulated Soviet efforts to enhance domestic R and D capability in fields likely to require "nondiscretionary" acquisitions, as the example of microelectronics illustrates.

When Western technology is put to work in the Soviet Union it does not always operate as effectively as it would in a Western economy; thus Soviet writers occasionally express disappointment with some of the results of the transfers of the 1970's. Part of the explanation relates to structural features. If advanced Western technology is installed in a field below the peak of the economic pyramid, the resource environment may have low-quality material inputs, labor skills and technical and managerial competence. Unless there is a high-level commitment to raise the quality level of the environment, as was the case in the auto industry, potential benefits may be lost. Thus it would be a mistake to regard Western technology as always rep-

resenting a sure, direct path for the modernization of the Soviet economy. Technology from CMEA partners may often be better suited to Soviet uses and may provide a cheaper, more dependable option.

THE MILITARY-INDUSTRIAL COMMISSION

Few issues of East-West relations have aroused such passion as the belief that Western technology transfers are substantially contributing to Soviet military power. Space precludes a detailed discussion of this important issue; only some general observations are possible.¹⁰ The Soviet Union makes an organized effort to obtain militarily significant technologies from the West. The possibilities of open trade in this field are severely limited, and there is little scope for resort to such active and effective channels of technology transfer as foreign ventures and cooperation agreements, license purchases, and consultancy. The Soviet defense industry is thus forced to make the best of less effective transfer mechanisms, in particular the gathering of scientific and technical documentation and one-off samples of technologies. The Military-Industrial Commission (MIC) manages a ramified system of technology acquisition, details of which have become available from documentary evidence obtained by French intelligence.¹¹ This system identifies the requirements and fulfills the tasks for the acquisition of documentation and samples for the defense industry. Much information is obtained from published Western sources. These acquisitions serve a number of purposes, including the general monitoring of Western developments in the military field, but they also provide technology applicable to Soviet weapons-related R and D programs. These acquisitions may accelerate the fulfillment of projects, reduce costs or simply confirm that domestic programs are proceeding on correct paths.

In quantitative terms, the scale of the MIC program cannot be considered large. In the late 1970's the actual annual expenditure on acquisitions of information and samples cannot have amounted to much more than 0.5 percent of the annual military R and D budget. For particular military programs, however, the economic benefits may be substantial. Elsewhere, this author has argued that Soviet acquisitions of Western technology are likely to be particularly important during the early stages of the development of major new militarily significant technologies. Resort to the West facilitates the consolidation of an inde-

pendent R and D and production capability in these new fields.

However, the overall Soviet aim is to minimize dependence on the West in militarily sensitive areas. In recent years, information technology has been the most dynamic and all-pervasive new technology, having an impact on the development of weapons systems of almost all types. In 1979, 55 percent of all acquisition tasks fulfilled by the MIC system related to the three ministries most directly associated with information technology—electronics, radio and communications equipment. Many of the tasks fulfilled for other ministries were probably also connected with information technologies.

Significantly, only 7.5 percent of tasks completed related to the well-established fields of nuclear weapons and missiles. Thus, if the author's hypothesis is correct, there may be some diminution of Soviet interest in the acquisition of Western technology as the domestic R and D base in militarily relevant information technologies is enhanced. The future scale and pattern of acquisitions will then depend on the dynamic of military technology. In this connection, it is worth observing that in some of the technologies relating to SDI (the American Strategic Defense Initiative), Soviet strengths are acknowledged, particularly with respect to laser technology and space vehicles. For this reason, this author cannot accept without qualification the conclusion of the September, 1985, Department of Defense study on Soviet acquisition of militarily significant technology, that:

Even if there were some major Soviet economic or managerial reforms, *no real lessening of the Soviet dependence on Western innovation is anticipated* as long as the U.S.S.R. perceives the need for military-technological parity with the West or the need for superiority.¹²

ACCELERATING THE DEVELOPMENT OF SCIENCE AND TECHNOLOGY

This brings us back to the measures taken by the Gorbachev leadership to improve Soviet technological performance. These can be divided into two broad categories: first, measures that directly address the structural problems of the economy and the question of resource quality; second, those directed toward the reform of the economic mechanism in order to promote more rapid technological innovation. The former category includes the adoption of specific programs for promoting new technologies and the modernization of specific industries, including the metallurgical and chemical branches; a reorientation of investment policy from new construction and in favor of the technical reequipping of existing enterprises; extra resources for the civilian engineering industry so it can supply more, improved technology to the rest of the economy; and measures designed to enhance the pay, status and training of scientific and technical personnel throughout the economy.

¹⁰For further discussion see Cooper, "Western Technology and the Soviet Defense Industry."

¹¹See United States Department of Defense, *Soviet Acquisition of Militarily Significant Western Technology: An Update* (Washington, D.C., September, 1985); also see Philip Hanson, "New Light on Soviet Industrial Espionage," *Radio Liberty Research*, RL 36/86 (January 20, 1986).

¹²Department of Defense, *Soviet Acquisition*, p. 1 (italics added).

In terms of a structural perspective, these are sensible measures. Improvement of the technological level of the engineering industry is an essential precondition for raising the quality levels of activities at the middle and lower levels of the economic pyramid. At the same time, there appears to be new emphasis on the need to use some high-level resources of the defense industry to pull up backward sectors, in particular those directly relating to consumers.

While the measures so far adopted for improving the economic mechanism are useful, they are clearly not yet adequate to secure a major change in the rate of innovation. Some are organizational, including renewed emphasis on the formation of scientific and production associations, linking R and D more closely with production, and arrangements for linking organizations of different ministries in order to tackle major new technology programs. The system of quality control is being overhauled. Enterprises are being granted the power to use their own profits to fund reequipment and to adopt new technologies. In one of the engineering ministries, an experiment will provide some dismantling of the system of administered allocation of resources; if this experiment were strengthened and spread throughout the economy it could help to erode the economy's rigid stratification. But so far the new system of success indicators and incentives for the enterprise, introduced in 1983, does not provide enough stimuli and rewards to promote more vigorous innovation. It does little to encourage enterprises at the upper levels of the economic hierarchy to use resources of all kinds with greater efficiency, thus releasing better quality resources for use at the lower levels.

The Soviet Union is now in the early stages of a program of economic reform. Gorbachev has called for "radical" measures. There is a keen awareness that there must be further change to promote scientific and technical progress; but political leaders and economists appear to be uncertain about specific practical measures. At this stage, the favored reform option is probably a more flexible, streamlined version of the traditional centrally planned system, rather than a transition to a form of market socialism: East Germany is the model, not Hungary, although elements of the Hungarian approach may be adopted to boost the performance of the consumer sphere. Such a reformed system, coupled with structural changes (the importance of which are often underestimated by Western observers), may well generate some worthwhile improvement in Soviet technological performance and reduce the disparity between the technological levels of the peak and the base of the economic pyramid. However, the great inertia of the economic structure rules out any rapid, dramatic technological transformation.

This analysis suggests that the West needs to alter its perceptions of the Soviet Union's technological level

and capabilities. The economic strength and military might of the Soviet Union are based overwhelmingly on domestic resources and capabilities: Western technology is important, but by no means crucial. Yes, Soviet technology generally lags behind that of leading Western countries, but performance is very uneven. There are important fields, not only the military, where technological performance is respectable by international standards; indeed, the Soviet Union is the world leader in particular instances. Soviet socialism and central planning are not incompatible with technological dynamism, but so far it has proved impossible to generate adequate innovative vigor across the full spectrum of Soviet economic activities. This is the challenge facing Gorbachev. ■

THE SOVIET MILITARY UNDER GORBACHEV

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the military sphere that will tax his resources and energy. But it is important to put these problems in perspective. The military is still one of the Soviet Union's finest achievements, and at present Gorbachev seems to have the support of the military for his first priority, economic modernization and revitalization.

Gorbachev has made few decisions that allow us to forecast whether his relations with the military will be cordial in the long term. He has tried to revitalize the high command by the removal of very elderly commanders, most notably Alexei Yepishev, chief of the Main Political Administration (who died shortly thereafter), and Vladimir Tolubko, chief of the Strategic Rocket Forces. Yepishev's ouster does not portend major policy shifts, although the MPA has since become more vocal about a new party spirit in the military. Tolubko, on the other hand, was replaced by I. P. Maksimov, usually identified with the modernists of the General Staff. If he is so identified, his selection to head the Strategic Rocket Forces could have important policy implications for a military wrestling with the relative importance of strategic nuclear weapons.

Other changes have included the removal, at long last, of Admiral Sergei F. Gorshkov, the chief of the navy. But he is very old and has been given a kind of golden parachute: a position in the Inspectorate. Clearly, Gorbachev prefers younger generals, like himself, more vital and energetic than the old men who occupied commands well beyond their usefulness.

No changes have been made at the top. Sergei Akhromeyev, appointed in 1984, is still chief of the General Staff. The 75-year-old Sokolov, a figure so transitional that no attempt has been made to glorify his role in military history, continues to occupy the top post of minister of defense. This may be a sign that Gorbachev and the generals have yet to agree on a candidate for the post. The key issue is whether the

new minister will be a soldier or a civilian with military-related experience.

Vasili Petrov, currently first deputy minister of defense, may well be the prime candidate if a soldier is chosen. There are no "civilian" candidates that spring immediately to mind, but one possibility is army General V. M. Shabanov, who has spent most of his life in industrial and technical defense work. Long shots include Kulikov and Ogarkov, both of whom are probably too old and too controversial, and the rather bland Akhromeyev. Once a minister is selected, it will be important to note whether he assumes Politburo membership. Sokolov is currently just a candidate (nonvoting) member. The military is, as usual, well represented in key party bodies. The Central Committee's military membership has declined by about 10 percent, but this is in line with membership at the 1976 party congress; no key military officers have lost their seats.

One important political-military change is taking place. For the first time, there is a General Secretary who did not participate in World War II, the great legitimizing event for the Soviet army. The patron-client ties that Khrushchev and Brezhnev enjoyed as political workers in the war died with them. But this shift, which had to come, does not necessarily bode ill for the Soviet military. If anything, promotion may rest less on having known the right person in the war and more on professional merit.

It is not clear how the generals really feel about Gorbachev. At present, they are all enjoying a honeymoon. What if the generals become impatient? A puzzle facing the student of Soviet political-military relations is how the military exercises influence. An institution as proud as the military, with a reputation for excellence and vitality in a society sorely lacking in those virtues, must certainly be able to protect its interests. But that evidence comes by inference. Soviet leaders spend a great deal on defense; but is this the result of "red militarism" or a consensus among key political leaders that defense is an important social "good"? It is well to note that one of the biggest defense buildups was undertaken by Joseph Stalin, a man not captive to anyone's interests, least of all the military, which he ruthlessly purged.

Most probably, the military will lobby, cajole and threaten. But the overwhelming historical evidence is that military officials win support by mobilizing elite opinion. Gorbachev may well be the captive of the Soviet Union's own garrison state mentality that emphasizes military power and gives its version of socialist progress a martial ring.

Gorbachev would clearly like to make economic prowess the basis of the Soviet Union's international position. But that is an old message. Without extraordinary economic reform, the Soviet Union will have trouble competing with the economic giants. Thus the

military instrument will probably loom large again as the Soviet Union's primary claim to status and international position. The generals have been neglected, at this moment, in the rhetoric about the revitalization of the Soviet Union. But, based on historical experience and a realistic assessment of the future, they are probably betting that their star will soon rise again. ■

THE SOVIET ECONOMY

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changes have been introduced to induce enterprises to pay more attention to quality.²¹

Earlier in his career Gorbachev had administrative responsibilities for agriculture. So it is of special interest to examine his views on reform in that sector. Reform should be of high priority since investment is going to grow more slowly, and it is doubtful that the recent administrative reorganization will be sufficient to revitalize agriculture.

BRIGADE LABOR ORGANIZATION

The brigade form of labor organization has great promise for agriculture. This idea was experimented with over 15 years ago. A plot of land is contracted out by a state or collective farm to a brigade or a work team of five or six people, who are permitted to organize their work as they see fit, without having work schedules imposed from above. The members are paid according to the results of their activity. Although experiments were described as successful, they were stopped for several years, probably because the brigade was so alien to the traditional centralized approach and tight control. In addition, payment by results could lead to large income inequalities, which is ideologically suspect. The Central Committee's 1982 Food Program envisioned a role for brigades, but they were still regarded as experimental.²² Brigades have also been used in industry and construction, where they are said to have boosted labor productivity.²³

Gorbachev supported brigades when he was a regional party secretary. Later, in a 1983 speech, he indicated that the Politburo had approved the use of brigades (called the "collective contract") in state and collective farms.²⁴ Thus it is disappointing that since

²¹Alice C. Gorlin, "Self-Financing in Soviet Industry," in John P. Hardt and Carl H. McMillan, eds., *Planned Economies: Confronting the Challenges of the 1980's* (Cambridge: Cambridge University Press, forthcoming, 1987); Hewett, *op. cit.*, pp. 296-298.

²²Alec Nove, "Agriculture," in Archie Brown and Michael Kaser, eds., *Soviet Policy for the 1980's* (Bloomington: Indiana University Press, 1982), pp. 179-180, 185.

²³L. Abalkin, "The Interaction of the Productive Forces and Production Relations," *Problems of Economics*, vol. 18, no. 12 (April, 1986), pp. 34-35.

²⁴Archie Brown, "Gorbachev: New Man in the Kremlin," *Problems of Communism*, vol. 34, no. 3 (May-June, 1985), pp. 11-13.

he became General Secretary he has said very little about brigades. This is an example of his conservative approach to reform.²⁵

Another reform that Gorbachev supported when he was a regional party secretary was the Shchekino experiment.²⁶ Under this reform, begun in 1967, an enterprise's wage fund was supposed to be fixed, giving it an incentive to eliminate excess labor. Subsequent alterations discouraged an enterprise manager from firing workers; for example, enterprises that reduced their workforce found their wage funds cut in later years. Interest in the experiment lessened in the 1970's but was revived in the 1980's. There have been positive results, in terms of saving labor, in the approximately 3,000 enterprises operating in the program. Nevertheless, this is a relatively small number of enterprises. The fear of widespread unemployment, which would constitute a violation of an implicit contract between the regime and the population, is probably a major reason the program has not been applied more widely.²⁷

PROSPECTS

Economic performance data for early 1986 show that the Gorbachev approach has had some success. In the first three months, industrial production rose 6.7 percent and labor productivity rose 6.3 percent over the comparable period in 1985. Steel production was up 10 percent over the first quarter of 1985. In the first four months of 1986, oil production was up 1.5 percent compared to the first four months of 1985, the output of natural gas increased by 7.5 percent, and coal was up 5.3 percent.²⁸ These gains are probably due to the discipline campaign and are similar to the gains in the Andropov era. However, it is not clear that the discipline campaign will have a permanent effect. And there are other reasons to believe that Gorbachev's strategy will not be successful.

In an interesting analysis of the effect of discipline on economic performance, Vladimir Kontorovich discusses the breakdown of discipline in the 1950's, 1960's

and 1970's. He believes that this resulted in declining effort on the part of Soviet workers, especially under Leonid Brezhnev. He argues that the tightening of worker discipline will improve growth rates but that this will be a one-time effect. It would be necessary to continue tightening discipline to achieve a permanent improvement in performance, and this would be counterproductive. On the other hand, tightening of the discipline of managers is likely to have a more lasting effect on performance because disciplined managers can accelerate the introduction of new technology and improve the allocation and use of inputs in their operations.²⁹

There are certainly reasons to doubt that improved worker discipline will have a permanent effect on performance. The same improvement occurred under Andropov but did not last. Aside from the motivation of fear, there are also real limits on the incentives of workers to increase their productivity. The projected rates of growth of personal income through the year 2000 are slower than the rates of growth of labor productivity.³⁰ Compounding this is the fact that workers already have excess purchasing power.

A more far-reaching reform that Gorbachev envisages, one involving the freeing of prices, might well lead to inflation. Recently, the Soviet newspaper *Liternaya Gazeta* published a debate on the possibility of confiscating savings deemed "excessive." In addition, a recent decree requires that anyone buying an item costing more than 10,000 rubles must document how the money was obtained.³¹

Do the changes in personnel and better discipline at higher levels hold the promise of a more lasting positive effect on economic performance? This author is skeptical. First, the economic institutions have not changed in any significant way. The institutional and motivational structures do not reward innovative behavior, risk taking, or flexibility. The system remains too bureaucratic and centralized to enable the Soviet Union to compete in the technological race.

Second, the individuals who have replaced the fired ministers and other bureaucrats also have a vested interest in preserving the current centralized system. The emphasis on accelerating growth will encourage these new officials to use tried and true methods, emphasizing quantity at the expense of quality.

Recent evidence suggests that reforms so far have had only a marginal impact on the economy. According to an analysis of the 1984 experiment, while there have been improvements in performance like the better fulfillment of delivery commitments and improved labor productivity, ministerial behavior has been unaffected, and there has been no acceleration of scientific-technical progress.³² At a recent meeting of the Central Committee, Gorbachev himself expressed frustration at the slow pace of change. "Many enterprises still rely on blind rush work and stand by the

²⁵Philip Hanson, "Gorbachev's Economic Strategy: A Comment," *Soviet Economy*, vol. 1, no. 4 (October-December, 1985), pp. 310-311.

²⁶Brown, op. cit., p. 11.

²⁷Paul R. Gregory and Robert C. Stuart, *Soviet Economic Structure and Performance*, 3d ed. (New York: Harper and Row, 1986), pp. 404-405; Henry Norr, "Shchekino: Another Look," *Soviet Studies*, vol. 38, no. 2 (April, 1986), pp. 160-161.

²⁸*PlanEcon Report*, vol. 2, nos. 17-18 (May 5, 1986), pp. 3-4.

²⁹Vladimir Kontorovich, "Discipline and Growth in the Soviet Economy," *Problems of Communism*, vol. 34, no. 6 (November-December, 1985), pp. 18-31.

³⁰In fact this goal was achieved in 1985 when labor productivity in industry grew at a faster rate than wages. See "The Report on 1985 Plan Fulfillment."

³¹*The New York Times*, June 18, 1986, p. 27.

³²Abalkin, op. cit., p. 40.

old slogan of meeting the plan at any cost. The turn to quality, efficiency and new management methods is difficult and painful."³³

There are also doubts about whether investment can shift from new construction toward replacement. In 1985, the opposite happened. While investment increased 3 percent, the volume of capital goods actually put into operation only increased 0.7 percent, implying a huge increase in unfinished investment of over 95 percent. Moreover, nothing has changed in the institutional and motivational structures to encourage such a shift at the enterprise or ministry levels. With centralized distribution of investment funds and pressure for output expansion, ministries and enterprises seek to begin many projects in order to enhance bargaining power for the ongoing allocations of funds. This will change only if economic accountability is strictly enforced at the enterprise level, with enterprises forced to finance all investments out of their own profits and bank credits. Unfortunately, in 1986 most enterprises do not have sufficient financial resources to shift to economic accountability.³⁴

Another problem with investment policy is the inconsistency between the cuts in investment growth rates in energy, which are implied by the large increase in investment intended for machine building, and the energy output targets. Ed Hewett believes the investment growth rates of the five year plan are not achievable unless there is a large increase in imports.

Unemployment is a problem Soviet leaders may have to face if they are serious about the rapid introduction of new technology and decentralization. The Soviet government has not officially acknowledged the existence of unemployment since 1930, when it claimed that the problem had been eliminated. However, a recent article by a Soviet economist suggested that millions of people may be temporarily unemployed as a result of Gorbachev's program. It also revealed that some unemployment benefits have been paid to officials who have lost their jobs because of administrative reorganization.³⁵ The existence or even the threat of unemployment may cause significant unrest among the population, who have always taken full employment for granted.

Finally, although the Chernobyl disaster is not expected to have devastating effects on the Soviet economy, it will certainly complicate efforts to fulfill the five year plan. It is also likely to damage the discipline campaign by increasing popular cynicism. The openness of style and truthfulness promised by the new leadership now seems an empty promise. Western reaction to Gorbachev's leadership includes a pessimistic view of his chances to revitalize the nation and its economy. ■

SOVIET-AMERICAN RELATIONS

(Continued from page 308)

emphasis to the ABM treaty as his way of saving face and permitting SDI under cosmetic restrictions. In this view, during negotiations Gorbachev will back away from his strict definition of testing, and he will accept a relatively meaningless abrogation period of 5 years. This seems improbable. Gorbachev's emphasis on the ABM treaty ensures that allied technologies like antisatellite weapons are brought under control, and it allows the fight against SDI to continue within the framework of an already existing treaty that has widespread popular support. It also makes it easier for the Soviet Union to overlook SDI research in Europe and Japan.

Finally, Gorbachev should probably be taken seriously when he links a successful summit meeting in the United States with arms control progress. Precisely because a summit would serve President Reagan's interests by defusing public concern about his confrontational policies and letting him argue against a cut in his defense budget, a summit without results would not be in Gorbachev's interests. In July, he "decisively" objected to any interpretation that he had agreed to a second summit. He stated flatly that he did not want a meeting that simply served President Reagan's "political interests" and accomplished nothing else. Gorbachev's conditions for a summit have been explained repeatedly to his domestic audience, and he has made any retreat from these conditions very difficult for himself. The only nuclear agreement that seems within reach and that might provide the basis for a 1986 summit would be based on a formal acceptance of the SALT 2 agreement, and any revitalization of SALT 2 would apparently be emotionally very difficult for President Reagan.

Gorbachev has made Soviet acceptance of a warm relationship with the United States even harder because of his extraordinarily harsh analysis of the United States and its policy. The United States, he said at the twenty-seventh party congress, is a system of "monopolistic totalitarianism." The previous June, he had called statements "about the defense character [of SDI] fairy tales for naive people," a theme he has often repeated. At his press conference in Geneva after the 1985 summit, he referred to President Lyndon Johnson's assertion that the "nation which will rule in space will rule on Earth," and he suggested that old American ambitions were still alive.

Gorbachev has not limited his criticism to President Reagan. It is the optimists about Soviet-American relations who focus on the President, for that focus implies change after January, 1989. Instead, Gorbachev has emphasized a broader problem. In June, 1986, he spoke of "the reactionary ruling crust in the United States" and of United States leaders "banking

³³*The New York Times*, June 19, 1986, p. 7.

³⁴Hewett, op. cit., p. 299; Gorlin, op. cit.

³⁵*The New York Times*, January 27, 1986, p. 4.

on brute force, on the nuclear fist, on terrorist piracy, profusely blended with ideological intolerance and hatred." Gorbachev has always said that the Soviet Union is ready and even eager to cooperate with the United States, but his whole analysis strongly indicates that this is impossible.

WEST EUROPE AND THE FAR EAST

One reason that American analysts believed so strongly that Gorbachev would follow Brezhnev's American-centered policy was that they thought that Brezhnev's policy was the only liberal, pro-détente Soviet policy, and they defined détente as entente. In reality, even in the 1970's, Soviet détente with West Europe was warmer and more durable than détente with the United States. In a series of statements in 1985 and 1986, Gorbachev indicated that he was going to aim his policy at West Europe and Japan, and that he was seeking not détente but entente, especially with Europe. "Europe," he said, "is our common home," and he declared that he wanted to remove even an imagined sense of threat in Europe and to end the "schism" of the continent.

There were many reasons for this change in policy. Some were tactical. As Gorbachev moved to open his country to the outside world and to make concessions, he had to overcome conservative opposition. If he said that the United States could be trusted, conservatives would think him naive. But if he said that concessions had to be made to Europe, China and Japan to cope with the American danger, that was a more credible argument. The conservatives would be driven to say that the United States was not so dangerous or reactionary as Gorbachev claimed.

Gorbachev also had to center his foreign policy on Europe and Japan if he were serious about economic reform. Like Brezhnev, his goal was not the breakup of NATO (if nothing else, he needed NATO to justify Soviet troops in East Europe); instead, his economic reform required a far more complete integration of the Soviet economy into the world economy, and this required a breaking of the American technological blockade. The United States, especially the Reagan administration, was not going to cooperate, but if Gorbachev made political and economic concessions to Europe and Japan, he might find them more accommodating.

Finally, if Gorbachev really wants to reduce military expenditures, he must concentrate on conventional forces. A reduction in the number of troops and conventional weapons depends, most of all, on agreements with West Europe and China. In April, 1986, Gorbachev made the first serious Soviet proposal in the field of conventional arms. Instead of talking about symbolic reductions on the central front, he called for a reduction of troops and weapons "from the Atlantic to the Urals"—100,000 to 200,000 troops on each side

at first and 500,000 on each side by the early 1990's. He promised full verification of both the troop reductions and the destruction of the weapons.

Most American analysts have assumed that this proposal has little chance of success, and they have concentrated on various nuclear and ABM proposals. But it is more likely that the nuclear and ABM proposals have little chance, and that the Soviet proposal on conventional troops will actually form the basis for an agreement.

In late July, Gorbachev made a major offer to the Chinese. He talked about a reduction of Soviet troops in Mongolia, accepted the Chinese definition of the disputed Amur River border, and called for a balanced reduction of troops on the Sino-Soviet border.

If Gorbachev really becomes cooperative in his policy toward Europe and the Far East, the interesting question will be the impact of this policy on the United States. Certainly no agreement on troop reduction in Europe is conceivable unless the United States agrees. (The alternative would be the breakup of NATO and the expulsion of American troops.) It is, however, possible that the Reagan administration will be more accommodating on this question than on ABM and SDI. Right-wing Republicans have always been suspicious of American troops in Europe, and the pressure in Congress to reduce the deficit may push President Reagan to accept arms control in the one area where real money can be saved: conventional forces. In addition, European pressure on the United States with regard to troop deployment would be far more effective than pressure to alter American policy on strategic nuclear forces and SDI.

If there is a breakthrough on conventional arms control in Europe, then a successful summit seems easily achievable. The combination of such an agreement and a summit meeting would surely usher in a period of at least partial détente. Any movement toward real Soviet-American cooperation, however, will almost surely be postponed until the 1990's at the earliest.

The United States has had a 30-year political cycle, with political change occurring in the early 1900's in the Progressive Era, the early 1930's in the New Deal, and the early 1960's in the civil rights movement and the antiwar protests.

The next change should come in the early 1990's, and the driving force behind it, if it occurs, will be the generation that was born just after World War II and is moving into its forties. A person born in 1946 was 20 years old in 1966; hence the "Baby Boom" generation is also the generation that remembers the war in Vietnam. If Gorbachev succeeds in establishing an atmosphere of entente with Europe, China and Japan, if he opens the Soviet Union to foreign investment and other types of economic collaboration, then the assumptions of the Vietnam generation may lead it to follow the path to entente. ■

THE MONTH IN REVIEW

A Current History chronology covering the most important events of August, 1986, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Arms Control

(See also *U.S.S.R.; U.S., Foreign Policy*)

Aug. 11—U.S. and Soviet negotiators end 2 days of informal arms control talks outside Moscow; the meeting was requested by the Soviet Union. Neither side comments on the results of the discussions.

Commonwealth Conference

Aug. 3—Heads of state from Canada, India, Australia, Zimbabwe, the Bahamas, Zambia and Great Britain meet in London for a 3-day conference.

Aug. 4—At the end of the conference, British Prime Minister Margaret Thatcher agrees to support limited sanctions against South Africa; the rest of the Commonwealth group votes for stronger sanctions. Britain will impose the limited sanctions if the European Economic Community agrees to support it in its September meeting.

European Disarmament Conference

Aug. 19—At the beginning of the conference's final session, the Soviet Union offers limited on-site inspection of its European military movements.

General Agreement on Tariffs and Trade (GATT)

(See *U.S.S.R.*)

International Atomic Energy Agency (IAEA)

Aug. 21—At the IAEA meeting in Vienna, the Soviet Union releases a report on the April accident at the Chernobyl nuclear power plant; the report cites human error as the primary cause of the disaster, but it also notes design flaws that contributed to the accident. The report says that 3.5 percent of the radiation in the reactor entered the atmosphere. Thirty-one people have died and 135,000 have been evacuated from the area. Local vegetation and fish have been contaminated. Some of the topsoil in a 1,000-square-mile area is being removed as part of the decontamination effort.

Aug. 26—Using data from the Soviet report, 2 Western nuclear experts say that over the next 70 years, 24,000 people will die from cancers caused by radiation released from the Chernobyl accident.

Aug. 28—The original projection of 24,000 additional cancer deaths because of radiation released from Chernobyl is revised downward to between 5,000 and 10,000; the 2 Western experts say 24,000 deaths is the maximum possible number of deaths.

International Monetary Fund (IMF)

Aug. 15—The fund says it will no longer grant new loans to Peru after Peru fails to meet today's deadline to make a \$159-million payment to the fund.

The fund grants Ecuador a \$139-million loan.

Iran-Iraq War

Aug. 12—Iraqi jets bomb oil tankers at Iran's Sirri Island oil terminal in the Persian Gulf; 12 sailors are missing and 3 supertankers are on fire.

Aug. 18—Iranian planes attack an oil tanker in the Persian Gulf near the United Arab Emirates; the ship is set afire.

Organization of Petroleum Exporting Countries (OPEC)

Aug. 4—OPEC ministers meeting in Geneva agree to curtail oil production in order to increase the price of oil; the agreement becomes effective September 1 and expires October 31.

United Nations (UN)

(See also *Lebanon; U.S., Foreign Policy*)

Aug. 8—In Geneva, indirect talks between Afghanistan and Pakistan sponsored by the UN are suspended indefinitely.

AFGHANISTAN

(See *Intl, UN; U.S., Foreign Policy*)

ANGOLA

Aug. 14—The government news agency Angop reports that 95 South African soldiers have been killed in 4 days of fighting in southern Angola; South Africa refuses to comment on the assertion.

BOLIVIA

Aug. 21—A 48-hour strike by the leftist Workers Central, the country's main labor federation, begins; the strike has been called to protest the government's economic austerity program and the use of U.S. troops and equipment to help destroy cocaine laboratories.

Aug. 28—The government orders a nationwide state of siege; union leaders and two clerics are arrested.

Aug. 30—Miners end a 24-hour strike to protest the state of siege; the government releases 162 people it has detained.

BRAZIL

Aug. 21—The Brazilian Coffee Institute reports that Brazil's coffee crop in 1986 will be the country's 4th smallest crop in this century.

BURKINA FASO

Aug. 29—Military leader Captain Thomas Sankara names a new 23-member Cabinet; Sankara dismissed the previous Cabinet 2 weeks ago.

CAMEROON

Aug. 25—The government says at least 1,200 people were killed August 22 when poisonous gases escaped from a lake in northern Cameroon; the gases came from volcanic activity beneath the lake.

Aug. 26—Diplomatic relations are restored with Israel.

UN relief officials report that 1,524 people were killed by the volcanic gases.

CANADA

Aug. 11—Canadian fishermen pick up 155 Sri Lankan refugees found floating in lifeboats off the coast of Newfoundland; the Sri Lankans say they were set adrift 5 days ago after being smuggled by freighter to Canada from Sri Lanka.

Aug. 17—The Sri Lankan refugees now say that they left from West Germany, not Sri Lanka, and that they did not spend 5 days in the lifeboats; they say they were forced to lie by the captain of the ship that dropped them off the Canadian coast.

CHILE

(See also *U.S., Foreign Policy*)

Aug. 31—A military judge orders the September 1 edition of the news magazine *Cauce* seized after yesterday's indictment of the magazine's editor and a reporter for the magazine on charges of slandering the armed forces.

CHINA

(See also *U.S., Foreign Policy*)

Aug. 6—At a news conference in Bangkok, Cambodian Prince Norodom Sihanouk, the head of the non-Communist guerrilla coalition fighting the Vietnamese in Kampuchea, says that China will send "tremendous" aid to Vietnam if Vietnam withdraws its troops from Kampuchea.

Aug. 10—China signs a consular treaty with Mongolia, ending 20 years of chilly relations.

COLOMBIA

Aug. 7—Virgilio Barco Vargas is inaugurated President.

CUBA

(See *U.S., Foreign Policy*)

EGYPT

(See *Jordan; U.S., Foreign Policy*)

EL SALVADOR

Aug. 26—Vice President Rodolfo Antonio Castillo Claramount says El Salvador will not allow the U.S. to train anti-Nicaraguan guerrillas (contras) on Salvadoran territory.

FRANCE

Aug. 28—The government says it will not unilaterally withdraw its contingent of UN forces from southern Lebanon; since August 11 20 French soldiers have been wounded in clashes with Shiite Muslim militiamen.

GERMANY, WEST

(See also *Canada*)

Aug. 26—The Social Democratic party selects Johannes Rau as its candidate for Chancellor in the January, 1987, election.

HONDURAS

Aug. 22—The Foreign Ministry announces that Honduras will not allow the U.S. to train anti-Nicaraguan guerrillas (contras) on Honduran territory.

INDIA

Aug. 10—General A. S. Vaidya, the former chief of staff of the Indian army, is assassinated by Sikh terrorists; Vaidya commanded the military assault on the Sikh Golden Temple at Amritsar in 1984.

Aug. 15—Two bombs explode in Assam state; 1 person is killed. No group takes responsibility for the bombings.

INDONESIA

(See *Philippines*)

IRAN

(See also *Intl, Iran-Iraq War; U.S.S.R.*)

Aug. 16—No group takes responsibility for today's car bombing in the city of Qom that killed 13 people and injured 100.

Aug. 19—A car bomb explodes in Teheran, killing 20 people and wounding 75; the government accuses the Mujahideen guerrilla group of planting the bomb; the Mujahideen denies involvement.

Aug. 25—The Islamic Republic News Agency reports that Iran is resuming natural gas deliveries to the Soviet Union after a 7-year suspension.

IRAQ

(See *Intl, Iran-Iraq War*)

IRELAND

Aug. 2—The government devalues the pound by 8 percent as part of a program to make its exports cheaper to purchase.

ISRAEL

(See also *Cameroon; Lebanon; Morocco; U.S.S.R.; U.S., Foreign Policy*)

Aug. 1—Major General Amos Yaron is named military attaché to the U.S.; Yaron was dismissed from his command because of his actions during the Christian Phalangist massacre of Palestinians in Beirut in 1982.

Aug. 6—The Supreme Court rules that the presidential pardon of the head of the Shin Beth and 3 of his aides is constitutional; the 4 men have been implicated in the 1984 beating deaths of 2 Palestinians.

Aug. 24—President Chaim Herzog pardons 7 more members of Shin Beth for their alleged involvement in the killing of the 2 Palestinians.

ITALY

Aug. 1—Bettino Craxi is sworn in as Prime Minister; according to last month's agreement, he will resign in March, 1987, to allow a Christian Democrat to become Prime Minister.

JAPAN

Aug. 11—The Finance Ministry reports that the July trade surplus was a record \$8.22 billion.

Aug. 24—Antinuclear demonstrators in Sasebo protest the arrival of the U.S. battleship *New Jersey*; they believe the ship is carrying nuclear weapons.

JORDAN

Aug. 7—King Hussein leaves Egypt after 2 days of talks with Egyptian President Hosni Mubarak on reviving Middle East peace talks.

KAMPUCHEA

(See *China; Vietnam*)

KOREA, SOUTH

(See also *U.S., Foreign Policy*)

Aug. 26—President Chun Doo Hwan names 10 new Cabinet ministers; Foreign Minister Lee Won Kyung is succeeded by Ambassador to the UN Choi Kwan Soo.

LEBANON

Aug. 8—A car bomb explodes in Muslim West Beirut; 17 people are killed and 90 are wounded; no group takes responsibility.

Aug. 11—Israeli jets bomb a suspected Palestine Liberation Organization (PLO) base in southern Lebanon; 4 people are reported killed.

Aug. 13—Shiite Muslim militiamen clash with a UN peace-keeping force in southern Lebanon; 1 UN soldier is killed.

Aug. 14—A car bomb explodes in Christian East Beirut; 19 people are killed and 90 are wounded; no group takes responsibility for the bombing, which occurred at the entrance to a building owned by President Amin Gemayel's family.

Aug. 28—The terrorist group Islamic Holy War, which is holding 3 Americans hostage, says it will kill the hostages if a rescue attempt is made.

LIBYA

(See also *Morocco; U.S., Foreign Policy, Terrorism*)

Aug. 26—The government announces that head of state Muammar Qaddafi met with Syrian President Hafez Assad in Libya last week; Assad reportedly promised to treat any attack on Libya as an attack on Syria and will react accordingly.

Aug. 31—Qaddafi commemorates the 17th anniversary of his military coup with a speech attacking the U.S.; he says that the U.S. is trying to kill him and that he will lead an "international army" against American targets if the U.S. attacks Libya again.

MEXICO

(See also *U.S., Administration, Foreign Policy*)

Aug. 26—Attorney General Sergio García Ramírez reports that 11 state policemen in Jalisco state have been charged with harming a U.S. Drug Enforcement Agency (DEA) official whom they arrested on August 11; the DEA officer was tortured by the policemen during his detention.

MONGOLIA

(See *China*)

MOROCCO

Aug. 29—King Hassan II announces that he is canceling his treaty of union with Libya because of Libya's condemnation of Hassan's meeting last month with Israeli Prime Minister Shimon Peres.

NEW ZEALAND

(See *U.S., Foreign Policy*)

NICARAGUA

(See also *U.S., Foreign Policy*)

Aug. 3—President Daniel Ortega Saavedra ends his week-long trip to the U.S.

PAKISTAN

(See also *Intl, UN*)

Aug. 14—Opposition leader Benazir Bhutto is arrested after she defies a government ban on a protest march earlier in the day. Antigovernment demonstrations are held in 3 other cities; 4 demonstrators are killed by police in Lahore.

Aug. 18—Riots continue for a 5th day in several cities; in Karachi, 8 people are killed in clashes with police. At least 500 opposition leaders have been arrested in the last week.

Aug. 25—Prime Minister Mohammad Khan Junejo says he will not compromise with opposition political parties that want President Zia ul-Haq's government removed; the opposition alliance, the Movement for the Restoration of Democracy, says it will begin a nationwide civil disobedience campaign to remove Zia.

Aug. 26—Zia says Bhutto will probably be released soon. He says Bhutto was "unpatriotic" because she received money from India and the Soviet Union to overthrow his government; he says he has no proof of this charge.

Aug. 27—Police announce that 2,000 people have been detained in the 2-week crackdown on political dissent.

PERU

(See also *Intl, IMF*)

Aug. 3—The government announces that it is extending its moratorium on the repayment of the principal of its \$4.4-billion foreign debt; Peru has not made any payments on the principal since March, 1983.

PHILIPPINES

(See also *U.S., Foreign Policy*)

Aug. 5—Government and guerrilla negotiators meet in secret to discuss a cease-fire.

Aug. 25—President Corazon Aquino meets with Indonesian President Suharto in Jakarta.

Aug. 26—Aquino holds talks in Singapore with President Lee Kuan Yew.

SINGAPORE

(See *Philippines*)

SOUTH AFRICA

(See also *Intl, Commonwealth; Angola; U.S., Foreign Policy, Legislation*)

Aug. 4—The Ministry of Constitutional Development and Planning says the government will allow restaurants and movie theaters to decide whether they want to serve all races.

Aug. 5—Foreign Minister Roelof F. Botha announces that import licenses and quotas will be imposed on goods arriving in South Africa from landlocked Zambia and Zimbabwe; Botha says the limits and tariffs are being imposed in retaliation against the 2 countries, which have called for sanctions against South Africa.

Aug. 11—The Natal province supreme court rules that 2 provisions of the June 12 state of emergency decree are invalid; the government will appeal.

Aug. 12—Speaking before his National party congress, President P. W. Botha condemns international pressure for an end to apartheid; he dismisses calls for international economic sanctions against South Africa as an extreme form of "political fraud."

Aug. 13—The government says it may allow blacks to vote for members of an advisory council in national elections; this has been proposed before and rejected by black leaders.

Aug. 18—The government releases the names of 8,501 people who have been detained under the state of emergency.

Aug. 27—The government's information agency says police have killed at least 12 blacks in Soweto since late yesterday; the police killings stem from an attempt to evict those participating in a rent boycott called to protest apartheid.

Aug. 28—The government information agency now says 20 blacks were killed in Soweto by police gunfire and 1 black was killed by other blacks.

SRI LANKA

(See also *Canada*)

Aug. 30—Talks between the government and Tamil separatist guerrillas end; new negotiations are planned for September.

SUDAN

Aug. 16—Sudan People's Liberation Army guerrillas use a surface-to-air missile to shoot down a Sudan Airways plane; all 60 people on board are killed.

SYRIA

(See also *Libya*)

Aug. 23—In Damascus, 6 hard-line Palestinian guerrilla groups reject any attempts at reconciliation with the Fatah faction of the PLO.

THAILAND

Aug. 3—Prime Minister Prem Tinsulanonda accepts an offer from the new coalition government to continue in his office; Tinsulanonda has no party affiliation.

U.S.S.R.

(See also *Intl. Arms Control, European Disarmament Conference, IAEA; Iran; U.S., Foreign Policy*)

- Aug. 6—It is reported that Soviet-sponsored talks between dissident PLO factions and chairman Yasir Arafat's Fatah faction ended today in Moscow; "positive results" are reported.
- Aug. 7—The government announces that it has granted asylum to former U.S. Central Intelligence Agency (CIA) agent Edward Lee Howard; Howard fled the U.S. last year after he was charged with spying for the Soviet Union.
- Aug. 14—*Pravda* reports that Gennadi Veretennikov, the head of the nuclear power industry at the time of the accident at the Chernobyl nuclear power plant, has been dismissed from the Communist party; 12 people have been dropped from the party because of their negligence during the accident.
- Aug. 18—General Secretary Mikhail Gorbachev renews until January 1, 1987, a nuclear test ban that expired on August 6; he again asks the U.S. to join the moratorium. He says a test ban agreement could be negotiated and "signed this year at the United States-Soviet summit."
- Talks with Israeli diplomats in Helsinki end after only 90 minutes; the Soviet Union proposed the talks, the 1st in 19 years, to discuss "nonpolitical" problems such as opening consulates in one another's country. No plans for future talks are announced.
- Aug. 19—Exit visas are issued to family members of freed human rights activist Anatoly Shcharansky; Shcharansky's family will join him in Israel.
- Aug. 22—The government says that at Iran's request, it is cutting oil production by 100,000 barrels a day. It also says it has asked for observer status in the General Agreement on Tariffs and Trade (GATT) organization.
- Aug. 28—The Foreign Ministry says the Soviet Union "supports Libya in its desire to defend its national sovereignty"; a ministry spokesman refuses to specify whether the Soviet Union would respond if the U.S. attacks Libya again.
- Aug. 29—A Soviet Defense Ministry official says that the Soviet Union has evidence of 3 unannounced U.S. nuclear tests this year; he says this proves that a test ban is verifiable.
- Aug. 30—KGB agents detain Nicholas Daniloff, a U.S. reporter, for accepting maps marked "top secret"; no charges are announced.

UNITED KINGDOM**Great Britain**

(See *Intl. Commonwealth*)

UNITED STATES**Administration**

- Aug. 1—Department of Agriculture Secretary Richard Lyng announces a program of financial relief for farmers in the drought-stricken Eastern states; farmers will be able to buy surplus feed grain, with the government paying half the cost; nationwide, the department will provide over \$1 billion in income support payments now instead of after the harvest.
- Aug. 4—President Ronald Reagan declares a "national mobilization" against the production, sale and use of narcotics; he asks for a "drug-free workplace" for all Americans and the assistance of private groups in the fight against narcotics use.
- Aug. 5—President Reagan nominates Bank of America vice president H. Robert Heller to the Federal Reserve Board.

Aug. 7—The Departments of Agriculture and Commerce issue a study that reveals an 11.6 percent decline in the nation's farm population since 1980.

Aug. 9—President Reagan undergoes a urological examination; he says, "Everything's normal, everything's fine."

Aug. 12—In a nationally broadcast news conference, President Reagan says that "American farmers should know that our commitment to helping them is unshakable."

Aug. 14—The White House announces a drive to prevent drug smuggling from Mexico to the U.S.

Head of the U.S. Drug Enforcement Administration (DEA) John Lawn says that an agent of the agency was seized, detained and tortured by Mexican police, who subsequently released him.

The Environmental Protection Agency (EPA) reports that pollution caused by radon gas inside dwellings may affect some 8 million single-family homes and may cause 20,000 cancer deaths a year in the U.S.

Aug. 16—Attorney General Edwin Meese 3d says that to allay Justice Department employees' "fear of personal liability," the government will reimburse employees who are successfully sued for damages for constitutional rights violations.

Aug. 23—The National Governors' Association begins its annual meeting in South Carolina.

Aug. 26—The Census Bureau reports that 33.1 million people (14 percent of the population) were living below the poverty line in 1985, down 0.4 percent from 1984; a family of 4 with an income of less than \$10,989 is classified as impoverished.

Aug. 28—President Reagan notifies Congress that he will raise the pay of some 2.2 million federal civilian employees by 2 percent in January, 1987; Congress must approve the increase.

In U.S. district court in San Francisco, convicted spy Jerry Whitworth is sentenced to 365 years in prison and is fined \$410,000 for his part in the espionage group headed by John Walker Jr.

Economy

Aug. 1—The Labor Department reports that the nation's unemployment rate dropped to 6.8 percent in July.

The Commerce Department reports that its index of leading economic indicators rose 0.3 percent in June; the department revises its estimate for May, originally reported as a 0.2 percent rise, to a drop of 0.1 percent.

Aug. 4—The Congressional Budget Office estimates that the fiscal 1987 budget deficit will be \$173 billion, some \$20 billion over the ceiling prescribed by the new Gramm-Rudman budget-balancing law.

Aug. 15—The Labor Department reports that its producer price index fell 0.4 percent in July.

Aug. 19—In a revised report, the Commerce Department says that the nation's gross national product (GNP) rose at an annual rate of 0.6 percent in the 2d quarter of 1986.

Aug. 20—The Federal Reserve Board cuts its discount rate to 5.5 percent.

Aug. 21—The Labor Department reports that its consumer price index remained unchanged in July.

Aug. 26—Most major banks follow the example set yesterday by Wells Fargo Bank and reduce their prime rate to 7.5 percent.

Aug. 28—The Commerce Department reports that its index of leading economic indicators rose 1.1 percent in July. The department issues revised June figures showing a 0.4 percent drop instead of the reported rise of 0.3 percent.

Aug. 29—The Agriculture Department raises the subsidies it will pay for wheat offered for sale to the Soviet Union from \$13 a metric ton to \$15 a metric ton.

Foreign Policy

(See also *Intl, Arms Control; Bolivia; El Salvador; Honduras; Israel; Japan; U.S.S.R.; Zambia*)

Aug. 1—Agriculture Secretary Richard Lyng announces that President Reagan has authorized the sale of subsidized U.S. wheat to the Soviet Union.

White House officials report that, in his letter of last weekend to Soviet General Secretary Mikhail Gorbachev, President Reagan proposed to share "the benefits" of the Strategic Defense Initiative (Star Wars) with the Soviet Union if the Soviet Union would agree to its eventual deployment.

Aug. 4—U.S. trade representative Clayton Yeutter announces the signing of a 4-year agreement with South Korea that will allow South Korea to increase textile exports to the U.S. only 0.8 percent a year.

The State Department reports that Secretary of State George Shultz will meet with Soviet Foreign Minister Eduard Shevardnadze in Washington, D.C., on September 19–20 to discuss a possible summit meeting.

Aug. 5—The U.S. Information Agency announces an agreement with the Soviet Union to provide 13 educational, scientific and cultural exchange programs.

Vice President George Bush concludes a 10-day trip to the Middle East; he asks Egypt, Jordan and Israel to negotiate in order to further the peace process in the region.

Aug. 10—U.S. negotiators led by Paul Nitze arrive in Moscow to discuss arms control and a possible U.S.–Soviet summit meeting later this year.

Aug. 11—In Moscow, U.S. and Soviet arms control negotiators begin meetings aimed at ending the deadlock between the 2 countries over arms control proposals.

The State Department reports that the U.S. is formally suspending its military commitments to New Zealand under the ANZUS (Australia, New Zealand, United States) treaty; New Zealand has refused to permit U.S. nuclear-armed ships to use its harbors.

Aug. 12—President Reagan endorses a South African proposal to call for a conference of Western nations "to help South Africa resolve its problems."

U.S. arms-control negotiators in Moscow end their 2-day session.

Aug. 13—President Miguel de la Madrid of Mexico meets with President Reagan in Washington, D.C., in a "fruitful session."

The State Department and the White House say that the proposed conference of Western nations with South Africa would have to deal with apartheid in addition to regional economic and political problems.

Aug. 15—The State Department formally protests to the Mexican government "the unprovoked and totally unjustified detention and torture" of DEA agent Victor Cortez Jr.

Aug. 16—Five senior policymakers who served in previous administrations suggest that President Reagan should delay the testing of space-based weapons for 10 years as part of an agreement with the Soviet Union; they also suggest remaining within the limits prescribed in both strategic arms limitation treaties (SALT I and SALT 2). The 3,500-word memorandum, given to Secretary of State Shultz on August 1, is made public today.

Aug. 18—The White House reports that the chief of the U.S. Southern Command, General John Galvin, met with Chilean President Augusto Pinochet and conveyed U.S. proposals for substantially improving human rights in Chile; Pinochet refuses to accept U.S. advice.

White House spokesman Larry Speakes says "a nuclear test ban is not in the security interest of the U.S." after Soviet General Secretary Gorbachev announces an extension to January 1, 1987, of the Soviet ban on nuclear testing.

Aug. 19—In an interview in the Mexican newspaper *Excelsior* made public today, President Reagan says that unless the Nicaraguan government is willing to "negotiate the democratization of Nicaragua, . . . the only alternative is for the freedom fighters [contras] to have their way and take over."

In Manila, the chairman of the Senate Foreign Relations Committee, Senator Richard Luger (R., Ind.), meets with Philippine leaders.

Aug. 21—White House chief of staff Donald Regan says that at a U.S.–Soviet summit President Reagan would like to "talk about arms control, but not exclusively, because we also want to talk about regional issues" such as the Soviet presence in Afghanistan.

Aug. 22—President Reagan issues new regulations designed to make it more difficult for Cuba to obtain U.S. currency and goods by using companies operating from foreign countries.

Aug. 24—The U.S. and Egypt begin combined military operations in the Mediterranean and over Egyptian airspace.

Aug. 25—White House spokesman Larry Speakes says that "the U.S. is prepared to take whatever action is necessary to prevent terrorist activities" by Libya.

Aug. 26—State Department, Defense Department and White House officials say that they have no hard evidence of Libyan terrorist activity that would justify another strike against that country.

Aug. 27—The Treasury Department announces approval of a \$545-million loan as the U.S. share of a \$1.6-billion loan arranged by the Bank for International Settlements to aid Mexico in its financial difficulties.

White House spokesman Speakes says that the U.S. position on Libyan terrorist activities, both past and future, is to deal with the "realities in this situation."

Citing the UN Fund for Population Activities' support for China's population control measures including abortion, the Agency for International Development refuses to pay its \$2.5-million contribution to the UN agency.

Aug. 28—The White House reports that in 1986, delays in the deployment of cruise missiles by the Air Force will keep the U.S. from exceeding limits imposed by SALT 2.

In Washington, D.C., U.S. and Soviet delegates end 3 days of talks on regional issues. No progress is reported.

Aug. 30—Administration officials in Washington, D.C., report that President Reagan will modify and relax his position on strategic arms limitations in negotiations with the Soviet Union.

Aug. 31—In Santa Barbara, White House spokesman Speakes says of administration officials who reported a possible change in President Reagan's position on strategic arms, "we must question their motives. Their actions ill serve the President, the American people and the cause of world peace."

A senior White House official says that the "White House will not make any deals for [Nicholas] Daniloff's release"; Daniloff is the *U.S. News and World Report* correspondent who was arrested Saturday in Moscow on espionage charges. He calls the charges against Daniloff "a frame-up" and says that "Moscow must learn it cannot keep doing this."

Labor and Industry

Aug. 5—The U.S. Postal Service Board of Governors selects Preston R. Tisch as postmaster general; he will succeed Albert Casey on August 15.

Aug. 10—Some 70,000 Communication Workers of America

members strike against telephone companies in parts of the Middle West and in New England and New York.

Aug. 22—The Federal Aviation Administration fines Pan American World Airways \$1.95 million for violations of its maintenance and safety regulations.

Aug. 24—People Express shuts down its money-losing Frontier Airlines.

Aug. 26—The Transportation Department refuses to permit the Texas Air Corporation to acquire Eastern Airlines Incorporated.

Aug. 28—Frontier Airlines files for bankruptcy under Chapter 11.

Aug. 29—The privately owned Placid Oil Company, with 20,000 employees, files for bankruptcy under Chapter 11; its owners, Nelson, W. Herbert and Lamar Hunt owe a consortium of banks some \$973.3 million.

Legislation

Aug. 5—The Justice Department agrees to make available to the Senate Judiciary Committee the memorandums and legal opinions written by Supreme Court Justice William Rehnquist while he was serving in President Richard Nixon's Justice Department.

Aug. 6—The House fails to override President Reagan's veto of legislation limiting textile imports from 12 countries. The vote is 8 votes short of the two-thirds necessary to override.

Aug. 8—The House votes 234 to 155 to approve an amendment to a military spending bill that would impose a 1-year moratorium on almost all U.S. nuclear testing.

Aug. 12—The House votes 239 to 176 to appropriate \$3.1 billion for the Strategic Defense Initiative program instead of the \$5.3 billion requested by the administration.

The House votes 225 to 186 not to fund any deployment of nuclear weapons exceeding the 1979 SALT 2 limits.

Aug. 13—The Senate votes 53 to 47 to approve an amendment to a military construction bill; the amendment provides \$100 million in aid to the Nicaraguan contras; the construction bill is approved by a 59-41 vote.

Aug. 15—The Senate votes 84 to 14 for strict economic sanctions against South Africa that would bar new American investment in South Africa and would restrict U.S. business relationships there.

The House votes 255 to 152 to approve legislation establishing and extending military programs for fiscal 1987; it also asks the administration to adhere to SALT 2 limitations and to refrain from production of new chemical weapons.

Arguments over automatic budget-balancing cuts in the Senate delay the passing of a short-term increase in the federal debt ceiling through September 25.

Aug. 16—Congress adjourns until after Labor Day; Senate and House tax conferees remain in conference.

Both the Senate and the House pass a bill raising the federal debt ceiling by \$73 billion over the present ceiling of \$2.079 trillion to enable the government to continue to borrow money through September 25.

The Senate approves the nominations of Morton I. Abramowitz as assistant secretary of state and Frank G. Wisner as ambassador to Egypt.

Aug. 17—House and Senate tax conferees agree on a sweeping revision of the nation's tax laws to go into effect in January, 1987. The full House and Senate have not acted on the bill.

Military

Aug. 22—The Air Force announces the successful test of an antisatellite rocket.

Political Scandal

Aug. 12—The House Energy and Commerce Subcommittee on Oversight and Investigation votes 17 to 0 to adopt a report charging former deputy White House chief of staff Michael Deaver with "knowingly and willfully" making false statements in a May 16 appearance before the committee; the committee's evidence is to be sent to independent counsel Whitney N. Seymour Jr., who is investigating Deaver's lobbying activities.

Aug. 25—Special prosecutor Seymour convenes a federal grand jury to take testimony in the investigation into Deaver's lobbying activities.

Science and Space

Aug. 5—The National Aeronautics and Space Administration (NASA) names James R. Thompson Jr. director of the Marshall Space Flight Center in Alabama.

Aug. 15—President Reagan authorizes the building of a 4th space shuttle; he directs NASA to launch shuttles in the future only for reasons of national security, the exploration of space, or foreign policy. The launching of commercial satellites will be taken over by private companies.

Aug. 20—NASA names Lieutenant General Forrest McCartney director of the Kennedy Space Center in Florida.

Terrorism

Aug. 29—U.S. commander in Europe General Bernard Rogers warns of "credible evidence" that Libya plans new terrorist activities against Americans in Western Europe.

VATICAN

Aug. 19—The Church revokes the teaching credentials of an American priest because of the priest's views on birth control, abortion and sexual issues.

VIETNAM

(See also *China*)

Aug. 19—At the end of a 2-day conference of Vietnamese, Laotian and Kampuchean foreign ministers, Vietnam announces that it will withdraw all its troops from Kampuchea by 1990.

ZAMBIA

(See also *South Africa*)

Aug. 10—President Kenneth Kaunda says that Oliver Tambo, the head of the African National Congress, wants to meet with U.S. Secretary of State George Shultz to discuss the end of apartheid in South Africa.

ZIMBABWE

(See *South Africa*)

BOOK REVIEWS

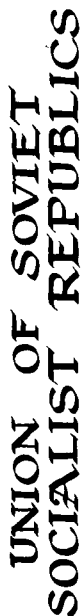
(Continued from page 337)

ALSO RECEIVED ON THE SOVIET UNION

THE SOVIET UNION: SECURITY POLICIES AND CONSTRAINTS. Edited by Jonathan Alford. (New York: St. Martin's Press 1985. 180 pages, notes and index \$27.50.)

U.S.-SOVIET MILITARY BALANCE, 1980-1985. By John M. Collins. (McLean, Virg.: Pergamon-Brassy's, 1985. 360 pages, notes, statistical annexes and index, \$50.00, cloth; \$29.95, paper.)

TRADE, TECHNOLOGY, AND SOVIET-AMERICAN RELATIONS. Edited by Bruce Parrott. (Bloomington: Indiana University Press 1985. 394 pages, notes, appendix and index, \$35.00; cloth; \$17.50, paper.)



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